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Agenda item 94

THE SITUATION IN THE OCCUPIED TERRITORIES OF CROATIA

Report of the Special Political and Decolonization Committee (Fourth Committee)

Rapporteur: Ms. Riitta RESCH (Finland)

1. At its 4th plenary meeting, on 19 September 1997, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-second session the item entitled "The situation in the occupied territories of Croatia" and to allocate it to the Special Political and Decolonization Committee (Fourth Committee).

2. The Fourth Committee considered the item at its 2nd and 25th meetings, on 30 September and 26 November 1997 (see A/C.4/52/SR.2 and 25).

3. For its consideration of the item, the Committee had before it a letter dated 22 July 1997 from the Chargé d'affaires a.i. of the Permanent Mission of Croatia to the United Nations addressed to the Secretary-General (A/52/231).

4. At the 25th meeting, the Chairman of the Committee informed the Committee that he had been approached by the delegation of Croatia, which had requested that no action be taken on the item.

5. At the same meeting, the representative of the Russian Federation made a statement (see A/C.4/52/SR.25).

6. On the recommendation of its Chairman, the Fourth Committee decided to take no action on the item entitled "The situation in the occupied territories of Croatia".

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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Report of the Second Committee

Rapporteur: Mr. Rae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. At its 3rd plenary meeting, on 19 September 1997, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-second session the item entitled "Report of the Economic and Social Council" and to allocate to the Second Committee the relevant chapters of the Council's report.[1]

2. The Second Committee considered the item at its 36th, 37th, 43rd, 47th and 51st meetings, on 11 and 19 November and on 4 and 9 December 1997. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/52/SR.36, 37, 43, 47 and 51). Attention is also drawn to the general debate held by the Committee at its 3rd to 9th meetings, from 13 to 16 October (see A/C.2/52/SR.3-9).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Relevant chapters of the report of the Economic and Social Council for 1997 (chaps. I-IV, V (sects. A-C and F-J) and VII);[1]

[1] A/52/3 (Parts I-IV); to be issued in final form as Official Records of the General Assembly, Fifty-second Session, Supplement No. 3 (A/52/3/Rev.1).

(b) Report of the Commission on Human Settlements on the work of its sixteenth session (A/52/8);[2]

(c) Report of the Secretary-General on the possibilities of strengthening the coordination of the organizations and bodies of the United Nations system in the field of energy within the framework of the Administrative Committee on Coordination (A/52/175-E/1997/75);

(d) Report of the Secretary-General on new and innovative ideas for generating funds for globally agreed commitments and priorities (A/52/203-E/1997/85);

(e) Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award (A/52/212);

(f) Note by the Secretary-General transmitting the statement on universal access to basic communications and information services adopted by the Administrative Committee on Coordination at its session in April 1997 (A/52/354);

(g) Letter dated 2 June 1997 from the Chargé d'affaires a.i. of the Permanent Mission of Maldives to the United Nations addressed to the Secretary-General transmitting the Declaration of the Ninth Summit of the South Asian Association for Regional Cooperation held at Malé, Maldives, from 12 to 14 May 1997 (A/52/222);

(h) Letter dated 13 October 1997 from the Permanent Representative of the United Republic of Tanzania to the United Nations addressed to the Secretary-General, transmitting the declaration of the Group of 77 adopted by the Ministers for Foreign Affairs of the Group of 77 at their twenty-first annual meeting, held in New York on 26 September 1997 (A/52/460);

(i) Letter dated 3 November 1997 from the President of the Economic and Social Council addressed to the President of the General Assembly (A/52/576);

(j) Letter dated 21 October 1997 from the Acting President of the General Assembly to the Chairman of the Second Committee transmitting a letter dated 22 August 1997 addressed to the President of the Economic and Social Council concerning the graduation of Vanuatu from the list of the least developed countries (A/C.2/52/5);

(k) Note by the Secretary-General transmitting the report of the Executive Board of the World Food Programme on the revision of the General Regulations of the World Food Programme (E/1997/49).

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[2] Official Records of the General Assembly, Fifty-second Session, Supplement No. 8 (A/52/8).

4. At the 36th meeting, on 11 November, the Officer-in-Charge of the Division for Economic and Social Council Support and Coordination of the Department of Economic and Social Affairs made an introductory statement (see A/C.2/52/SR.36).

II. CONSIDERATION OF DRAFT PROPOSALS

A. Draft resolutions A/C.2/52/L.28 and L.41

5. At the 43rd meeting, on 19 November, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, as well as Australia, Canada and New Zealand, introduced a draft resolution entitled "Report of the Committee on Development Planning" (A/C.2/52/L.28), which read:

"The General Assembly,

"Recalling its resolution 46/206 of 20 December 1991 on the report of the Committee for Development Planning and criteria for identifying the least developed countries,

"Taking note of Economic and Social Council decision 1997/223 of 18 July 1997 concerning the recommendation of the Committee for Development Planning that Vanuatu be graduated from the list of the least developed countries,

"Noting further the letter of the Prime Minister of Vanuatu[3] stating the reasons for his position that the review of Vanuatu's status should be deferred to the year 2000,

"Noting also the development of the vulnerability index, in accordance with resolution 51/183 of 16 December 1996, and stressing that the Committee for Development Planning should take fully into account this index in evaluating the status of the least developed countries,

"Taking into account views and comments expressed by delegations during the debate on the report of the Economic and Social Council at the meetings of the Second Committee of the General Assembly on 11 November 1997,

"1. Reaffirms paragraphs 4 and 5 of its resolution 46/206 relating to transitional arrangements;

"2. Welcomes the convening of Working Group III of the Committee for Development Planning at United Nations Headquarters from 17 to 19 December 1997 to review the results of the technical work and the outcome of the expert group meeting, as requested by the General Assembly in its resolution 51/183;

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[3] A/C.2/52/5, annex, appendix.

"3. Decides to retain Vanuatu on the list of the least developed countries until further consideration by the Committee for Development Planning during its next review, in the year 2000."

6. At the 47th meeting, on 4 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), introduced a draft resolution entitled "Report of the Committee on Development Planning" (A/C.2/52/L.41), submitted on the basis of informal consultations held on draft resolution A/C.2/52/L.28.

7. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.41 (see para. 20).

8. Before the adoption of the draft resolution, the representative of Vanuatu made a statement (see A/C.2/52/SR.47).

9. In the light of the adoption of draft resolution A/C.2/52/L.41, draft resolution A/C.2/52/L.28 was withdrawn by its sponsors.

B. Graduation from the list of the least developed countries

10. In its decision 1997/223 of 18 July 1997, entitled "Report of the Committee for Development Planning on its thirty-first session", the Economic and Social Council endorsed the recommendations of the Committee for Development Planning at its thirty-first session[4] regarding the list of the least developed countries.

11. At its 47th meeting, on 4 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it endorse paragraph (b) of Economic and Social Council decision 1997/223 (see para. 21, draft decision I).

C. Revision of the General Regulations of the World Food Programme

12. By its decision 1997/217 of 8 July 1997, entitled "Revision of the General Regulations of the World Food Programme", the Economic and Social Council endorsed the revisions contained in the annex to the report of the Executive Board of the World Food Programme,[5] and decided to transmit them to the General Assembly for consideration at its fifty-second session.

13. At its 47th meeting, on 4 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it endorse the revisions to the General Regulations of the World Food Programme, as contained

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[4] See Official Records of the Economic and Social Council, 1997, Supplement No. 15 (E/1997/35), chap. I.

[5] E/1997/49.

in the annex to the report of the Executive Board of the World Food Programme (see para. 21, draft decision II).

D. Report of the Council of the United Nations University

14. By paragraph 3 of its resolution 1997/43 of 22 July 1997, entitled "Report of the Council of the United Nations University", the Economic and Social Council recommended to the General Assembly that it adopt a decision whereby, beginning in 1998, the report of the Council of the United Nations University would be considered directly by the Second Committee of the General Assembly in accordance with its programme of work.

15. At the 47th meeting, on 4 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it decide that, beginning in 1998, the report of the Council of the United Nations University would be considered directly by the Second Committee, in accordance with its programme of work (see para. 21, draft decision III).

E. Documents relating to the report of the Economic and Social Council

16. At its 47th meeting, on 4 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it take note of documents before it under the item (see para. 21, draft decision IV).

F. Biennial programme of work of the Second Committee for 1998-1999

17. At the 51st meeting, on 9 December, the representative of the Secretariat introduced and read out corrections to the draft biennial programme of work of the Second Committee for 1998-1999 (A/C.2/52/L.45, annex).

18. Statements were made and questions raised by the representatives of the Philippines and Benin. The representative of the Secretariat responded to the questions raised (see A/C.2/52/SR.51).

19. At the same meeting, the Committee approved the draft biennial programme of work of the Second Committee for 1998-1999, as orally corrected, and decided to recommend it to the General Assembly for adoption (see para. 21, draft decision V).

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

20. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Report of the Committee on Development Planning

The General Assembly,

Recalling its resolution 46/206 of 20 December 1991 on the report of the Committee for Development Planning and criteria for identifying the least developed countries,

Taking note of subparagraph (a) of Economic and Social Council decision 1997/223 of 18 July 1997 by which the Council endorsed the recommendation of the Committee for Development Planning that Vanuatu be graduated from the list of the least developed countries,

Taking note also of subparagraph (b) of Economic and Social Council decision 1997/223,

Noting the content of the letter of the Prime Minister of Vanuatu[6] advancing reasons to support his position that the review of Vanuatu's status should be deferred to the year 2000,

Taking note of the decision[7] of the Committee for Development Planning,[8] in accordance with General Assembly resolution 51/183 of 16 December 1996, to examine as part of its work programme for 1997-1998, the report to be prepared by the Secretary-General on the vulnerability index and to consider the usefulness of such an index as a criterion for the designation of the least developed countries in its examination of issues related to improvements to the criteria and methodology for the designation of the least developed countries,

Taking into account statements made by several delegations during the debate on the report of the Economic and Social Council at the meetings of the Second Committee of the General Assembly on 11 November 1997,

1. Reaffirms paragraphs 4 and 5 of its resolution 46/206 relating to transitional arrangements;

2. Welcomes the convening of Working Group III of the Committee for Development Planning in New York from 17 to 19 December 1997 to review the results of the technical work and the outcome of the expert group meeting, as requested by the General Assembly in its resolution 51/183;

3. Decides to postpone its consideration of subparagraph (a) of Economic and Social Council decision 1997/223, in consideration of the views and

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[6] A/C.2/52/5, annex, appendix.

[7] Official Records of the Economic and Social Council, 1997, Supplement No. 15 (E/1997/35), para. 241 (c).

[8] Without prejudice to the review by the Economic and Social Council of its subsidiary bodies, as initiated in accordance with General Assembly resolution 50/227 of 24 May 1996 and bearing in mind other relevant Assembly resolutions.

recommendations to be submitted by the Committee for Development Planning to the General Assembly at its fifty-third session through the Economic and Social Council, in accordance with paragraphs 9 and 10 of resolution 51/183, on the usefulness of the vulnerability index as a criterion for the designation of the least developed countries, and, without prejudice to the full development and examination of the vulnerability index and its potential application in assessing the graduation of Vanuatu, a small island developing State, from the list of the least developed countries, and to take a decision accordingly.

21. The Second Committee also recommends to the General Assembly the adoption of the following draft decisions:

DRAFT DECISION I

Graduation from the list of least developed countries

The General Assembly, in accordance with paragraph (b) of Economic and Social Council decision 1997/223 of 18 July 1997, decides that Cape Verde, Maldives and Samoa should graduate from the list of least developed countries at the time of the next review, in 2000, provided that they continue to meet the criteria for graduation at that time.

DRAFT DECISION II

Revision of the General Regulations of the World Food Programme

The General Assembly, in accordance with Economic and Social Council decision 1997/217 of 8 July 1997, endorses the revisions to the General Regulations of the World Food Programme, as contained in the annex to the report of the Executive Board of the World Food Programme.[9]

DRAFT DECISION III

Report of the Council of the United Nations University

The General Assembly, in accordance with paragraph 3 of Economic and Social Council resolution 1997/43 of 22 July 1997, decides that, beginning in 1998, the report of the Council of the United Nations University will be considered directly by the Second Committee of the General Assembly, in accordance with its programme of work.

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[9] E/1997/49.

DRAFT DECISION IV

Documents relating to the report of the Economic and Social Council

The General Assembly takes note of the following documents:

(a) Relevant chapters of the report of the Economic and Social Council for 1997;[10]

(b) Report of the Secretary-General on possibilities of strengthening the coordination of the organizations and bodies of the United Nations system in the field of energy within the framework of the Administrative Committee on Coordination;[11]

(c) Report of the Secretary-General on new and innovative ideas for generating funds for globally agreed commitments and priorities;[12]

(d) Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award;[13]

(e) Note by the Secretary-General transmitting the statement on universal access to basic communications and information services, adopted by the Administrative Committee on Coordination at its session in April 1997.[14]

DRAFT DECISION V

Biennial programme of work of the Second Committee for 1998-1999

The General Assembly, in accordance with paragraph 5 of its resolution 39/217 of 18 December 1984, approves the biennial programme of work of the Second Committee for 1998-1999, as annexed to the present decision.

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[10] A/52/3 (Parts I-IV) (to be issued in final form as Official Records of the General Assembly, Fifty-second Session, Supplement No. 3 (A/52/3/Rev.1)), chaps. I-IV, V (sects. A-C and F-J) and VII.

[11] A/52/175-E/1997/75.

[12] A/52/203-E/1997/85.

[13] A/52/212.

[14] A/52/354.

ANNEX

Biennial programme of work for the Second Committee for 1998-1999[15]

1998

Item 1. Report of the Economic and Social Council[16]

United Nations Population Award

Documentation — Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award and Trust Fund (Economic and Social Council decision 1982/112)

Public administration and development

Documentation — Report of the Secretary-General on public administration and development (General Assembly resolution 50/225)[17]

Committee for Development Planning

Documentation — Relevant chapter of the report of the Economic and Social Council containing the views of the Committee for Development Planning on the report of the Secretary-General on the vulnerability index (General Assembly resolution 51/183 and draft resolution A/C.2/52/L.41)

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[15] The Second Committee, in accordance with established practice and in pursuance of General Assembly decision 38/429, holds a general debate each year at the beginning of its work.

[16] The list of questions and documentation under this item corresponds to requests for reports from the General Assembly. The list will be finalized after the Economic and Social Council completes its work in 1998.

[17] Report submitted to the General Assembly through the Economic and Social Council.

Item 2. Macroeconomic policy questions

(a) Financing of development, including net transfer of resources between developing and developed countries

Documentation

Report of the Secretary-General on net flows and transfer of resources between developing and developed countries (General Assembly resolution 51/165)

Report of the Secretary-General on global financial flows and their impact on the developing countries (draft resolution A/C.2/52/L.48)

Report of the Secretary-General containing an index indicating recurring themes and key elements in the consideration of the topic of financing for development (draft resolution A/C.2/52/L.51)

Report of the Secretary-General on the work of the United Nations to address financing for development (draft resolution A/C.2/52/L.51)

(b) Trade and development

Documentation

Report of the Trade and Development Board (General Assembly resolution 1995 (XIX))

Note by the Secretary-General of the United Nations transmitting the report of the Secretary-General of the United Nations Conference on Trade and Development on the implementation of General Assembly resolution 51/168 on transit environment in the landlocked States in Central Asia and their transit developing neighbours

Report of the Secretary-General of the United Nations and of the Secretary-General of the United Nations Conference on Trade and Development on recommendations for effective follow-up to the relevant sections of the agreed conclusions of the high-level segment of the substantive session of 1997 of the Economic and Social Council (draft resolution A/C.2/52/L.24/Rev.1)

Oral report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.24/Rev.1, including developments in the multilateral trading system

(c) Commodities

Documentation

Note by the Secretary-General transmitting the report of the Secretary-General of the United Nations

Conference on Trade and Development on world commodity trends and prospects (General Assembly resolution 51/169)

(d) External debt crisis and development

Documentation Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.58

Item 3. Sectoral policy questions

(a) Industrial development cooperation

Documentation Report of the Secretary-General on the implementation of General Assembly resolution 51/170

Note by the Secretary-General transmitting the report of the United Nations Industrial Development Organization on best practices and lessons learned in the field of industrial development (General Assembly resolution 51/170)

(b) Business and development

Documentation Report of the Secretary-General on the implementation of General Assembly resolution 51/191

Item 4. Sustainable development and international economic cooperation

Documentation Report of the Secretary-General and the Director-General of the United Nations Educational, Scientific and Cultural Organization on the implementation of General Assembly resolutions 50/130 and 51/172 on communication for development programmes in the United Nations system

(a) Renewal of the dialogue on strengthening international economic cooperation for development through partnership

No advance documentation requested (draft resolution A/C.2/52/L.11/Rev.1)

(b) Implementation and follow-up to major consensus agreements on development

(i) Implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of the Economic Growth and Development of the Developing Countries

(ii) Implementation of the International Development Strategy for the Fourth United Nations Development Decade

Documentation Report of the Secretary-General on the implementation of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, and the International Development Strategy for the Fourth United Nations Development Decade (General Assembly resolutions 45/199, 47/152, 48/185, 49/92 and 51/173)

(c) Integration of the economies in transition into the world economy

Documentation Report of the Secretary-General (General Assembly resolutions 48/181, 49/106 and 51/175)

(d) Cultural development

Documentation Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.33

(e) Implementation of the outcome of the Second United Nations Conference on Human Settlements (Habitat II)

Documentation Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.53

Report of the Secretary-General containing an assessment of the United Nations Centre for Human Settlements with a view to its revitalization (General Assembly resolution 51/177 and draft resolution A/C.2/52/L.53)

(f) Implementation of the Programme of Action for the Least Developed Countries for the 1990s

Documentation Report of the Secretary-General (draft resolution A/C.2/52/L.38)

(g) Implementation of the Programme of Action of the International Conference on Population and Development

Documentation Report of the Secretary-General on the preparations for the special session of the General Assembly to review and appraise the implementation of the Programme of Action of the International Conference on Population and Development (draft resolution A/C.2/52/L.43)

Item 5. Environment and sustainable development

Documentation Report of the Secretary-General on products harmful to health and the environment (General Assembly resolution 34/173)[17]

Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.37 on international cooperation to reduce the impact of the El Niño phenomenon

(a) Implementation of the decisions and recommendations of the United Nations Conference on Environment and Development

Documentation Relevant section of the report of the Economic and Social Council on the work of the Commission on Sustainable Development at its sixth session (General Assembly resolution 47/191)

(b) Implementation of the outcome of the Global Conference on the Sustainable Development of Small Island Developing States

Documentation Report of the Secretary-General on the plans, programmes and projects for the sustainable development of small island developing States that have been implemented in response to the Programme of Action for the Sustainable Development of Small Island Developing States (General Assembly resolution 50/116 and draft resolution A/C.2/52/L.42)

(c) Protection of global climate for present and future generations of mankind

Documentation Note by the Secretary-General transmitting the report of the Executive Secretary of the United Nations Framework Convention on Climate Change on the results of the meeting of the Conference of Parties to the Convention (General Assembly resolution 51/184 and draft resolution A/C.2/52/L.55)

Report of the Secretary-General on the review of arrangements for administrative support to the secretariat of the United Nations Framework Convention on Climate Change (General Assembly resolution 50/115)

(d) Implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

Documentation Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.57

(e) Convention on Biological Diversity

Documentation Note by the Secretary-General transmitting the report of the Executive Secretary of the Convention on Biological Diversity on the results of the meeting of the Conference of Parties to the Convention (General

Assembly resolution 51/182 and draft resolution A/C.2/52/L.56)

(f) Implementation and follow-up to the outcome of the United Nations Conference on Environment and Development, including the outcome of the nineteenth special session of the General Assembly, for the purpose of an overall review and appraisal of the implementation of Agenda 21

Documentation Report of the Secretary-General on the ways and means of undertaking the review of progress made in implementing conventions related to sustainable development (draft decision A/C.2/52/L.61)

Item 6. Operational activities for development

Documentation Relevant chapter of the report of the Economic and Social Council

Report of the Secretary-General on preparations for the special session of the General Assembly to review the achievement of the goals of the World Summit for Children (General Assembly resolution 51/186)

Note by the Secretary-General transmitting the draft revised Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries (draft resolution A/C.2/52/L.44)[17]

Triennial policy review of operational activities for development of the United Nations system

Documentation Report of the Secretary-General on the triennial policy review of operational activities undertaken by the United Nations development system (General Assembly resolution 50/120 and draft resolutions A/C.2/52/L.44 and L.46)[17]

Item 7. Training and research

(a) United Nations University

Documentation Report of the Council of the United Nations University, including the information requested in General Assembly resolution 49/124

Report of the Secretary-General (General Assembly resolution 51/187)

(b) United Nations Institute for Training and Research

Documentation Report of the Secretary-General (on the implementation of draft resolution A/C.2/52/L.52)

Item 8. Permanent sovereignty of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

Documentation Report of the Secretary-General (Economic and Social Council resolution 1997/6 and draft resolution A/C.2/52/L.6/Rev.1)[17]

Item 9. Implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006)

Documentation Report of the Secretary-General (General Assembly resolution 51/178 and draft resolution A/C.2/52/L.34)

Report of the Secretary-General on the role of microcredit in the eradication of poverty (draft resolution A/C.2/52/L.27/Rev.1)

Item 10. Commemorative meeting of the twentieth anniversary of the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries

No advance documentation (draft resolution A/C.2/52/L.44)

1999[18]

Item 1. Report of the Economic and Social Council[19]

Target for World Food Programme pledges for the period 2001-2003

Documentation Relevant chapter of the report of the Economic and Social Council

United Nations Population Award

Documentation Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Fund

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[18] The programme of work and documentation list for 1999 will be updated in 1998, taking into account the relevant decisions of the General Assembly at its fifty-third session.

[19] The list of questions and documentation under this item is only indicative of requests for reports from the General Assembly. The list will be finalized after the Council completes its work in 1999.

on the United Nations Population Award and Trust Fund (Economic and Social Council decision 1982/112)

Item 2. Macroeconomic policy questions

(a) Financing of development, including net transfer of resources between developing and developed countries

Documentation Report of the ad hoc open-ended working group on a high-level consideration of the topic of financing for development (draft resolution A/C.2/52/L.51)

(b) Trade and development

Documentation Report of the Trade and Development Board (General Assembly resolution 1995 (XIX))

Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.23/Rev.1 on unilateral economic measures as a means of political and economic coercion against developing countries

Report of the Secretary-General of the United Nations and the Secretary-General of the United Nations Conference on Trade and Development on the implementation of draft resolution A/C.2/52/L.39 on specific actions related to the particular needs and problems of landlocked developing countries

(c) Science and technology for development

Documentation Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.47

Item 3. Sectoral policy questions

(a) Industrial development cooperation

Documentation Report of the Secretary-General on the implementation of the programme for the Second Industrial Development Decade for Africa (General Assembly resolution 47/177 and draft resolution A/C.2/52/L.40)

(b) Business and development

Documentation Report of the Secretary-General (General Assembly resolution 48/180)

Item 4. Sustainable development and international economic cooperation

(a) Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II)

Documentation Report of the Commission on Human Settlements (General Assembly resolution 32/162)[17]

(b) Women in development

Documentation Report of the Secretary-General on the effective mobilization and integration of women in development (General Assembly resolution 42/178 and draft resolution A/C.2/52/L.17/Rev.1)[17]

World Survey on the Role of Women in Development (General Assembly resolutions 40/204 and 49/161)

(c) Human resources development

Documentation Report of the Secretary-General (draft resolution A/C.2/52/L.49)

(d) International migration and development, including the question of the convening of a United Nations conference on international migration and development to address migration issues

Documentation Report of the Secretary-General (draft resolution A/C.2/52/L.35)

Item 5. Environment and sustainable development

Documentation Report of the Governing Council of the United Nations Environment Programme (General Assembly resolution 2997 (XXVII))[17]

Note by the Secretary-General on international conventions and protocols in the field of the environment (General Assembly resolution 3436 (XXX))

(a) Implementation of decisions and recommendations of the United Nations Conference on Environment and Development

Documentation Relevant section of the report of the Economic and Social Council on the work of the Commission for Sustainable Development at its seventh session (General Assembly resolution 47/191)

(b) International Decade for Natural Disaster Reduction

Documentation Report of the Secretary-General (General Assembly resolution 44/236, annex)[17]

(c) Convention on Biological Diversity

Documentation Note by the Secretary-General transmitting the report of the Executive Secretary of the Convention on Biological Diversity on the results of the meeting of the Conference of Parties to the Convention (General Assembly resolution 51/182)

(d) Protection of global climate for present and future generations of mankind

Documentation Note by the Secretary-General transmitting the report of the Executive Secretary of the United Nations Framework Convention on Climate Change on the results of the meeting of the Conference of Parties to the Convention (General Assembly resolution 51/184)

Item 6. Operational activities for development

(a) Operational activities for development of the United Nations system

Documentation Relevant chapter of the report of the Economic and Social Council

(b) Economic and technical cooperation among developing countries

Documentation Report of the High-Level Committee on the Review of Technical Cooperation among Developing Countries (General Assembly resolution 33/134)[17]

Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.36 on cooperation between the United Nations and the Southern African Development Community

Report of the Secretary-General on the state of South-South cooperation (General Assembly resolution 50/119)

Report of the Secretary-General on the implementation of draft resolution A/C.2/52/L.44

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MACROECONOMIC POLICY QUESTIONS

Report of the Second Committee (Part I)*

Rapporteur: Mr. Rae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. At its 3rd plenary meeting, on 19 September 1997, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-second session the item entitled:

"Macroeconomic policy questions:

"(a) Financing of development, including net transfer of resources between developing and developed countries;

"(b) Trade and development;

"(c) Science and technology for development;

"(d) External debt crisis and development"

and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 9th to 11th, 34th, 35th and 41st meetings, on 16 and 17 October and 10 and 13 November 1997. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/52/SR.9-11, 34, 35 and 41). Attention is also drawn to the

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* The report of the Committee on this item will be issued in five parts, under the symbol A/52/626 and Add.1-4.

general debate held by the Committee at its 3rd to 9th meetings, from 13 to 16 October (see A/C.2/52/SR.3-9). An account of the Committee's further consideration of the item will be given in addenda to the present report, as follows:

Sub-item	Addendum
(a)	1
(b)	2
(c)	3
(d)	4

3. For its consideration of the item, the Committee had before it the following documents:

Item 95. Macroeconomic policy questions

(a) Letter dated 12 August 1997 from the Permanent Representative of Jamaica to the United Nations addressed to the Secretary-General transmitting the texts of the communiqué and the Montego Bay Declaration issued at the conclusion of the eighteenth meeting of the Conference of Heads of Government of CARICOM, held at Montego Bay, Jamaica, from 29 June to 4 July 1997 (A/52/284);

(b) Letter dated 28 August 1997 from the Permanent Representative of Paraguay to the United Nations addressed to the Secretary-General transmitting the Asunción Declaration, the Declaration on the Strengthening of the United Nations and the Reform of the Security Council, the Declaration on the Defence of Democracy and the Declaration on Unilateral Measures of the Eleventh Summit of Heads of State and Government of the Rio Group, held in Asunción, Paraguay, on 23 and 24 August 1997 (A/52/347);

(c) Letter dated 1 October 1997 from the Permanent Representative of Colombia to the United Nations addressed to the Secretary-General transmitting the communiqué of the Meeting of Ministers for Foreign Affairs and Heads of Delegation of the Movement of Non-Aligned Countries to the fifty-second session of the General Assembly, held in New York on 25 September 1997 (A/52/447-S/1997/775);

(d) Letter dated 13 October 1997 from the Permanent Representative of the United Republic of Tanzania to the United Nations addressed to the Secretary-General transmitting the Ministerial Declaration of the Group of 77 adopted on the occasion of the twenty-first annual meeting of the Ministers for Foreign Affairs of the Group of 77, held in New York on 26 September 1997 (A/52/460);

(e) Letter dated 11 November 1997 from the Permanent Representatives of China and the United States of America to the United Nations addressed to the Secretary-General transmitting the text of a joint statement of China and the United States of America issued in Washington, D.C., on 29 October 1997 (A/52/589);

(f) Letter dated 29 September 1997 from the Permanent Representative of Venezuela to the United Nations addressed to the President of the General Assembly transmitting the communiqué issued by the ministerial meeting of the Intergovernmental Group of Twenty-four on International Monetary Affairs, held on 20 September 1997 in Hong Kong, China (A/C.2/52/2);

(g) Letter dated 17 October 1997 from the Permanent Representative of Belgium to the United Nations addressed to the Secretary-General transmitting the communiqué issued by the Interim Committee of the Board of Governors of the International Monetary Fund on 21 September 1997 in Hong Kong, China (A/C.2/52/4);

Item 95 (a). Financing of development, including net transfer of resources between developing and developed countries

(a) Report of the Secretary-General on sources for the financing of development (A/52/399);

(b) Report of the Secretary-General on global financial integration (A/52/406);

(c) Letter dated 23 September 1997 from the Permanent Representative of the Marshall Islands to the United Nations addressed to the Secretary-General transmitting the communiqué of the twenty-eighth South Pacific Forum, held at Rarotonga, Cook Islands, from 17 to 19 September 1997 (A/52/413);

Item 95 (b). Trade and development

(a) Report of the Trade and Development Board on its fifteenth executive session (Part I) (A/52/15);[1]

(b) Report of the Trade and Development Board on its forty-fourth session (Part II) (A/52/15/Add.1);[1]

(c) Report of the Secretary-General on economic measures as a means of political and economic coercion against developing countries (A/52/459);

(d) Note by the Secretary-General on specific actions related to the particular needs and problems of landlocked developing countries (A/52/329);

(e) Letter dated 23 September 1997 from the Permanent Representative of the Marshall Islands to the United Nations addressed to the Secretary-General transmitting the communiqué of the twenty-eighth South Pacific Forum, held at Rarotonga, Cook Islands, from 17 to 19 September 1997 (A/52/413);

(f) Letter dated 24 October 1997 from the President of the Trade and Development Board of the United Nations Conference on Trade and Development to the Chairman of the Second Committee (A/C.2/52/7);

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[1] To be issued in final form as Official Records of the General Assembly, Fifty-second Session, Supplement No. 15 (A/52/15).

Item 95 (c). Science and technology for development

(a) Report of the Secretary-General on macroeconomic policy questions: science and technology for development (A/52/320);

(b) Report of the Secretary-General on an integrated and coordinated implementation and follow-up of the major United Nations conferences and summits (E/1997/73);

Item 95 (d). External debt crisis and development

Report of the Secretary-General on the debt situation of the developing countries as at mid-1997 (A/52/290).

4. At the 9th meeting, on 16 October, the Director of the Macroeconomics Division of the Department for Economic and Social Affairs made an introductory statement under sub-items (a) and (d) (see A/C.2/52/SR.9).

5. At the 11th meeting, on 17 October, the Economic Affairs Officer from the New York Office of the United Nations Conference on Trade and Development made an introductory statement under sub-item (c) (see A/C.2/52/SR.11).

6. At the 34th meeting, on 10 November, introductory statements under sub-item (b) were made by the Secretary-General of the United Nations Conference on Trade and Development, the President of the Trade and Development Board and the Director of the Microeconomic and Social Analysis Division of the Department of Economic and Social Affairs (see A/C.2/52/SR.34).

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MACROECONOMIC POLICY QUESTIONS: FINANCING OF DEVELOPMENT, INCLUDING NET TRANSFER OF RESOURCES BETWEEN DEVELOPING AND DEVELOPED COUNTRIES

Report of the Second Committee (Part II)*

Rapporteur: Mr. Rae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 95 (see A/52/626, para. 2). Action on sub-item (a) was taken at the 17th, 20th, 48th and 50th meetings, on 24 and 28 October and on 5 and 9 December 1997. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/52/SR.17, 20, 48 and 50).

II. CONSIDERATION OF DRAFT PROPOSALS

A. Draft resolutions A/C.2/52/L.2 and Rev.1 and L.51

2. At the 17th meeting, on 24 October, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Convening of an international conference on the financing of development" (A/C.2/52/L.2), which read:

"The General Assembly,

"Recalling its resolutions 46/205 of 20 December 1991, 48/187 of 21 December 1993 and 50/93 of 20 December 1995, and relevant resolutions,

* The report of the Committee on this item will be issued in five parts, under the symbol A/52/626 and Add.1-4.

in which it decided, inter alia, to consider at its fifty-second session the convening of an international conference on the financing of development,

"Recalling also an agenda for development,[1] in particular paragraph 287, where it is stated that due consideration should be given to modalities for conducting an intergovernmental dialogue on the financing of development,

"Taking into account the recommendations in this regard, as contained in the report of the Secretary-General,[2]

"Taking note of the report of the Secretary-General on sources for the financing of development,[3]

"Reaffirming its resolutions 50/91 of 20 December 1995, 50/227 of 24 May 1996 and 51/166 of 16 December 1996, as well as Economic and Social Council resolution 1996/43, on strengthening collaboration between the United Nations development system and the Bretton Woods institutions,

"Taking note of the communiqué of the Intergovernmental Group of Twenty-four on International Monetary Affairs[4] of 20 September 1997,

"Expressing the urgent need to undertake a thorough evaluation of the nature of the international financial institutions and their role in the financing of development in the contemporary globalizing world economy,

"Noting with deep concern the continuous decline of the official development assistance flows to developing countries,

"Noting that for many developing countries, particularly those in Africa and the least developed countries, official development assistance remains a main source of external funding and cannot generally be replaced by private capital flows,

"Taking note of the agreed conclusions 1997/1 of the high-level segment of the substantive session of 1997 of the Economic and Social Council,[5]

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[1] See document A/AC.250/1 (Parts I, II and III), annex.

[2] A/49/665.

[3] A/52/399.

[4] A/C.2/52/2, annex.

[5] See A/52/3, chap. II, para. 5.

"1. Decides to convene a conference on the financing of development to be held before the year 2000 and under the auspices of the United Nations;

"2. Also decides to establish an intergovernmental preparatory committee of the General Assembly to examine in depth issues relating to the financing of development, and to propose, no later than the end of the current session of the Assembly, specific dates and an agenda for the conference on the financing of development;

"3. Requests the funds and programmes as well as their respective executive boards to provide support to the work of the preparatory committee;

"4. Invites the participation, support and collaboration of the intergovernmental bodies of the Bretton Woods institutions, with the preparatory committee, in the launching and realization of the conference;

"5. Invites the regional development banks to participate effectively in the preparatory process of the conference;

"6. Requests the United Nations Conference on Trade and Development and the regional commissions to provide support from their specific perspectives to the work of the preparatory committee;

"7. Requests the Secretary-General to provide, in collaboration with the Bretton Woods institutions, the necessary substantive support to the preparatory committee, including suggestions for a possible agenda, in order to enable the preparatory committee to report thereon to the General Assembly at its fifty-third session."

3. The Committee had before it a revised draft resolution entitled "Global partnership on financing for development: convening of an international conference on financing for development" (A/C.2/52/L.2/Rev.1), submitted by the United Republic of Tanzania on behalf of the States Members of the United Nations that are members of the Group of 77 and China. The revised draft resolution read as follows:

"The General Assembly,

"Recalling it resolutions 46/205 of 20 December 1991, 48/187 of 21 December 1993 and 50/93 of 20 December 1995,

"Expressing the urgent need to undertake a thorough evaluation of the nature of the international financial institutions and their role in the financing of development in the contemporary globalizing world economy,

"Noting with deep concern the continuous decline of the official development assistance flows to developing countries,

"Noting that for many developing countries, particularly those in Africa and the least developed countries, official development assistance

remains a main source of external funding and cannot generally be replaced by private capital flows,

"Reaffirming that development is a complex multidimensional process and is one of the main priorities of the United Nations for which Member States have individual and shared responsibilities,

"1. Notes the need for systematic, comprehensive and integrated high-level international intergovernmental consideration on financing for development, with a view to invigorating the partnership for development;

"2. Also notes that various efforts have been undertaken both within and outside the United Nations system to address financing for development and, in this regard, considers it important that efforts already undertaken and under way should contribute to the revitalization of partnership for development;

"3. Stresses the need for a process within the United Nations system that will take stock of various efforts undertaken both within and outside the United Nations system on financing for development in preparing for high-level international intergovernmental consideration, such as a summit, an international conference or a special session of the General Assembly, to be convened at an appropriate time, before the year 2001;

"4. Decides to reconvene the Second Committee of the fifty-second session of the Assembly for two days in order to determine the required inputs from a broad range of stakeholders, including Member States and other actors both within and outside of the United Nations system, to facilitate informed decisions on key elements which might be included in the consideration of the topic of financing for development, where to source such inputs, and the appropriate role of the United Nations Secretariat in the preparation of the requested reports;

"5. Also decides to create an ad hoc open-ended working group that will commence its work during the fifty-third session of the Assembly in order to undertake an in-depth examination of the various inputs requested of the Second Committee in paragraph 4 above, with a view to formulating recommendations on the form, scope and agenda of a high-level international intergovernmental consideration of the topic on financing for development, and whose full report will be submitted to the Assembly at its fifty-fourth session;

"6. Further decides to consider at its fifty-fourth session the convening of an international conference on financing for development in order to enhance global partnership for development."

4. At the 48th meeting, on 5 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), introduced a draft resolution (A/C.2/52/L.51) entitled "Global partnership for development: high-level international intergovernmental consideration on financing for development", submitted on the basis of informal consultations held on draft resolutions A/C.2/52/L.2 and Rev.1.

5. The Secretary of the Committee read out a statement on the programme budget implications of draft resolution A/C.2/52/L.51.

6. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.51 (see para. 14, draft resolution I).

7. Before the draft resolution was adopted, statements were made by the representatives of Costa Rica, Luxembourg, the Sudan and the Syrian Arab Republic; after it was adopted, the representative of India made a statement (see A/C.2/52/SR.48).

8. In the light of the adoption of draft resolution A/C.2/52/L.51, draft resolution A/C.2/52/L.2/Rev.1 was withdrawn by its sponsors.

B. Draft resolutions A/C.2/52/L.4 and L.48

9. At the 20th meeting, on 28 October, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Global financial flows and their impact on the developing countries" (A/C.2/52/L.4), which read:

"The General Assembly,

"Reaffirming its resolutions 51/166 of 16 December 1996 entitled 'Global financial integration and strengthening collaboration between the United Nations and the Bretton Woods institutions' and 50/91 of 20 December 1995 entitled 'Global financial integration: challenges and opportunities', as well as Economic and Social Council resolution 1996/43 of 26 July 1996 on strengthening collaboration between the United Nations development system and the Bretton Woods institutions,

"Stressing that global financial flows present new challenges and opportunities for the international community and should constitute a very important element of the dialogue between the United Nations system and the Bretton Woods institutions,

"Expressing its concern that many developing countries, among them most of the least developed countries, especially those of Africa, have not benefited from the globalization of financial flows and continue to be in great need of capital, especially official development assistance,

"Expressing its concern also that a number of developing countries have become more vulnerable, in the course of liberalizing their external economic and financial regimes, to the volatile fluctuations of private capital flows in international financial markets,

"Mindful that all countries should continue their efforts to promote sustained economic growth and sustainable development, and that the major industrialized countries, which have significant weight in influencing world economic growth and the international economic environment, have

special responsibilities for cooperating with developing countries so as to enhance the developing countries' ability to address and alleviate their major problems in the areas of finance, trade and external indebtedness, in order to rectify imbalances between the developed and the developing countries,

"Deeply concerned at the recent fluctuations in the currencies of some developing countries which have had negative impacts on their economic stability, growth, trade and development process, and adverse impacts on other countries,

"Recognizing the potential benefits for the world economy of greater freedom of capital movements, but at the same time noting that the capital account liberalization process puts additional stress on the economies that are already striving to adjust to globalization,

"1. Takes note of the report of the Secretary-General on global financial integration: an update;[6]

"2. Stresses the urgent need to ensure wider and effective participation of developing countries in the decision-making processes on financial and macroeconomic policy issues of competent international financial institutions;

"3. Expresses grave concern that sharp fluctuations in interest rates and exchange rates have the potential to disrupt the international monetary and financial system, thus aggravating the volatility of short-term capital flows;

"4. Recognizes that, despite the fact that a number of developing countries have been able to take advantage of the globalization of financial flows, there is a need for the expansion of long-term private capitals flows and for access by developing countries to those flows, and also a need for the international community to facilitate and enhance such flows to low-income countries, especially the least developed countries and those in Africa;

"5. Also recognizes the need, on the part of industrialized countries, for policy coherence and coordinated policies that promote a supportive international economic environment conducive to sustained and non-inflationary growth and the adjustments needed to address the imbalances in the world economy, and greater foreign exchange market stability;

"6. Stresses the need for strengthened international cooperation, including through strengthened regional and multilateral cooperation, to prevent future currency turmoils which negatively affect not only developing countries but the international and financial monetary system;

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[6] A/52/406.

"7. Recognizes the adverse impact of sharp fluctuations among the major international currencies on developing countries, and in this regard calls on the International Monetary Fund to fully exercise its mandates so as to ensure effective surveillance over the macroeconomic policies of the countries involved in the management of these currencies;

"8. Also recognizes that an effective International Monetary Fund surveillance mechanism would require, among other elements, the regular and timely provision of economic and financial data from all Fund members, as well as from private investors;

"9. Takes note of the work of the Basle Committee on Banking Supervision where for the first time some developing countries were invited to participate in the work of drafting banking standards, and calls for enhanced participation of developing countries in standards-setting within banking institutions;

"10. Calls on the International Monetary Fund to ensure a flexible approach in the exercise of its role in promoting capital account liberalization, so as to enable members to adjust the pace and sequencing of the liberalization of their capital account, in the light of their policy, institutional and financial conditions;

"11. Requests the Secretary-General to analyse, in close cooperation with the heads of the Bretton Woods institutions and the Secretary-General of the United Nations Conference on Trade and Development, current trends in global financial markets and make recommendations in the World Economic and Social Survey, 1998 and the Trade and Development Report, 1998 on ways and means to address the problem of fluctuations in global financial markets, including measures to help economies become more resilient with respect to possible negative effects of currency trading, and to report on the effect of such sharp fluctuations on growth and development, in particular in developing countries;

"12. Also requests the Secretary-General to report, in cooperation with the Bretton Woods institutions and the United Nations Conference on Trade and Development, to the General Assembly at its fifty-third session on the implementation of the present resolution."

10. At the 50th meeting, on 9 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), introduced a draft resolution entitled "Global financial flows and their impact on the developing countries" (A/C.2/52/L.48), which was submitted on the basis of informal consultations held on draft resolution A/C.2/52/L.4, and proposed that in the fifth preambular paragraph the brackets around the words "sustained economic growth and sustainable development" be deleted.

11. Also at the 50th meeting, at the request of the representative of the United States of America, the Committee voted on draft resolution A/C.2/52/L.48,

which was adopted by a recorded vote of 147 to 2 (see para. 14, draft resolution II).[7] The voting was as follows:

In favour: Algeria, Andorra, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cameroon, Canada, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Fiji, Finland, France, Georgia, Germany, Ghana, Guatemala, Guinea, Guinea-Bissau, Guyana, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lesotho, Liberia, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Malawi, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mexico, Micronesia (Federated States of), Monaco, Mongolia, Morocco, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Rwanda, Saint Lucia, Samoa, San Marino, Saudi Arabia, Senegal, Sierra Leone, Singapore, Slovakia, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe.

Against: Israel, United States of America.

Abstaining: None.

12. Before the draft resolution was adopted, statements were made by the representatives of the United States of America, the United Republic of Tanzania (on behalf of the States Members of the United Nations that are members of the Group of 77 and China) and Indonesia; after the draft resolution was adopted, statements were made by the representatives of New Zealand, Luxembourg (on behalf of the States Members of the United Nations that are members of the European Union), Canada, the Russian Federation, Norway, Japan, Turkey, Jordan and Australia (see A/C.2/52/SR.50).

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[7] The delegation of Greece subsequently indicated that it had intended to vote in favour of the draft resolution, but that its vote had not been recorded. The delegations of Bulgaria, Mozambique and Slovenia subsequently indicated that, had they been present during the voting, they would have voted in favour.

13. In the light of the adoption of draft resolution A/C.2/52/L.48, draft resolution A/C.2/52/L.4 was withdrawn by its sponsors.

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

14. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Global partnership for development: high-level international intergovernmental consideration on financing for development

The General Assembly,

Recalling its resolutions 46/205 of 20 December 1991, 48/187 of 21 December 1993 and 50/93 of 20 December 1995, and relevant resolutions, in which it decided, inter alia, to consider at its fifty-second session the convening of an international conference on the financing of development,

Also recalling the Agenda for Development,[8] in which it is stated, inter alia, that due consideration should be given to modalities for conducting an intergovernmental dialogue on the financing of development,

Reaffirming that development is a complex multidimensional process and is one of the main priorities of the international community, for which Governments have individual and shared responsibilities,

Noting with concern the continuous decline of the official development assistance flows to developing countries, and that official development assistance remains a main source of external funding for developing countries, particularly those in Africa and the least developed countries,

Recognizing the need to further explore ways of generating new public and private financial resources to complement development efforts,

Reaffirming its resolutions 50/91 of 20 December 1995, 50/227 of 24 May 1996 and 51/166 of 16 December 1996, as well as Economic and Social Council resolution 1996/43, on strengthening collaboration between the United Nations development system and the Bretton Woods institutions,

1. Notes the need to hold a systematic, comprehensive and integrated high-level international intergovernmental consideration on financing for development with a view to creating a broader-based partnership for development;

2. Also notes that various efforts have been undertaken both within and outside the United Nations system to address financing for development, and in

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[8] Resolution 51/240, annex.

that regard considers it important that efforts already undertaken and under way should contribute to the broader-based partnership for development;

3. Stresses the need for a process that will take stock of various efforts undertaken both within and outside the United Nations system on financing for development in preparing for a high-level international intergovernmental consideration;

4. Decides to convene a resumed session of the Second Committee of the fifty-second session of the General Assembly for two days in order to solicit the views of Governments on the inputs required from a broad range of stakeholders, including actors both within and outside the United Nations system, as well as views on key elements that might be included in the consideration of the topic of financing for development, and to identify potential sources of such inputs;

5. Requests the Secretary-General to ensure that the reports requested at the resumed session of the fifty-second session of the General Assembly are compiled and forwarded to Governments at the fifty-third session of the General Assembly, with an index report indicating recurring themes and key elements found therein, and also requests the Secretary-General to prepare a report to be submitted at the same time on the work of the United Nations to address financing for development;

6. Also decides to create an ad hoc open-ended working group to work during the fifty-third session of the General Assembly in order to undertake an in-depth examination of all the inputs requested with a view to formulating a report containing recommendations on the form, scope and agenda of a high-level international intergovernmental consideration on the topic of financing for development, which will be submitted to the General Assembly at its fifty-fourth session;

7. Further decides to consider at the fifty-fourth session of the General Assembly the convening, inter alia, of a summit, an international conference, a special session of the General Assembly or other appropriate high-level international intergovernmental forum on financing for development to further the global partnership for development, not later than the year 2001.

DRAFT RESOLUTION II

Global financial flows and their impact on the developing countries

The General Assembly,

Reaffirming its resolutions 51/166 of 16 December 1996, entitled "Global financial integration and strengthening collaboration between the United Nations and the Bretton Woods institutions", and 50/91 of 20 December 1995, entitled "Global financial integration: challenges and opportunities", as well as Economic and Social Council resolution 1996/43 of 26 July 1996 on strengthening

collaboration between the United Nations development system and the Bretton Woods institutions,

Stressing that in the context of global financial integration, global financial flows present new challenges and opportunities for the international community and should constitute a very important element of the dialogue between the United Nations system and the Bretton Woods institutions,

Expressing its concern that a number of developing countries, in the course of liberalizing their external economic and financial regimes, have become more vulnerable to the volatile fluctuations of private capital flows in international financial markets, and stressing the importance at the national level in the countries concerned of a favourable climate of private financial flows, sound macroeconomic policies and appropriate functioning of markets,

Noting that the globalization of financial markets can generate new risks of instability, including interest rate and exchange rate fluctuations, which have the potential to aggravate the volatility of short-term capital flows and to adversely affect the international financial system, requiring all countries to pursue sound economic policies and to recognize the external economic impact of their domestic policies,

Mindful that all countries should continue their efforts to promote sustained economic growth and sustainable development, and that the major industrialized countries, which have significant weight in influencing world economic growth and the international economic environment, have important responsibilities to cooperate with developing countries so as to enhance the developing countries' efforts to address and alleviate their major problems in the areas of finance, trade and external indebtedness,

Recognizing the potential benefits for the world economy of greater freedom of capital movements but at the same time noting that the capital account liberalization process could put additional stress on the economies that are already straining to adjust to globalization, and in that regard necessitates, inter alia, effective management by those economies,

Welcoming the initiatives that the Bretton Woods institutions, especially the International Monetary Fund, have taken to address the question of the volatility of capital flows so as to contribute to minimizing its potential negative impacts on all countries, in particular developing countries,

1. Takes note of the report of the Secretary-General entitled "Global financial integration: an update";[9]

2. Reiterates the need for broadening and strengthening the participation of developing countries in the international economic decision-making process;

3. Stresses that sound domestic macroeconomic policies of each country in regard to promoting macroeconomic stability and growth are primary elements for

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[9] A/52/406.

determining private capital flows, and that the coordination of macroeconomic policies, where appropriate, and a favourable international economic environment play an important role in reinforcing their effectiveness;

4. Recognizes that a number of developing countries have been able to take advantage of the globalization of finance, and notes the need for the expansion of private capital flows and for broader access by developing countries to those flows, and therefore the need for the international community to assist low-income countries, especially those in Africa, in their efforts to create the enabling environment necessary to attract such flows;

5. Notes that a number of developing countries, among them most of the least developed countries, especially those of Africa, have not benefited from the globalization of finance and continue to be in great need of official development assistance;

6. Recognizes the need to explore ways to broaden appropriate enhanced cooperation and, where appropriate, coordination of macroeconomic policy among interested countries and monetary and financial authorities and institutions so as to enhance preventive consultation arrangements between such institutions as a means of promoting a stable international financial environment conducive to economic growth, particularly of developing countries, taking into account the needs of developing countries as well as situations that may have a significant impact upon the international financial system;

7. Also recognizes the importance of ensuring transparency and accountability at the national level to achieve policy credibility and confidence-building as well as sound regulatory and supervisory arrangements so as to strengthen the domestic financial system, and further recognizes the importance of a stable international economic environment and stability in the international monetary system;

8. Stresses the need for strengthened international cooperation through strengthened regional and multilateral cooperation to prevent future currency crises, which negatively affect not only developing countries but also the international financial and monetary system;

9. Recognizes the benefit of exchange rate stability and a stable financial environment, and the potential impact on all countries of lack of stability in the foreign exchange markets, and in that regard invites the International Monetary Fund to fully exercise its mandate to sustain effective surveillance over the underlying macroeconomic policies of its member countries, in particular those countries whose economies are particularly relevant for the stability of the international monetary and financial system;

10. Also recognizes that an effective International Monetary Fund surveillance mechanism requires, among other elements, the regular and timely provision of reliable economic and financial data from all Fund members, and in that regard invites the Fund, within its mandate, to explore how data can be gathered from other relevant sources in order to contribute to the effectiveness of its surveillance mechanism;

11. Takes note of the work of the Basle Committee on Banking Supervision, notes that some developing countries participated in the work of drafting banking standards, and recognizes the need for enhanced participation of developing countries in such work;

12. Invites the International Monetary Fund to ensure that, in exercising its role in promoting capital account liberalization, it does so in an orderly and flexible manner so as to enable member countries to tailor capital account liberalization to the circumstances of each individual country;

13. Requests the Secretary-General, in close cooperation with the Bretton Woods institutions and the United Nations Conference on Trade and Development, to analyse the current trends in global financial flows, make recommendations in the World Economic and Social Survey, 1998 and the Trade and Development Report, 1998 on ways and means to address the volatility of those flows, including measures to help economies become more resilient with regard to currency fluctuations, and report on the effect of those fluctuations on growth and development, in particular in developing countries;

14. Also requests the Secretary-General, in cooperation with the Bretton Woods institutions and the United Nations Conference on Trade and Development, to report to the General Assembly, at its fifty-third session on the implementation of the present resolution.

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MACROECONOMIC POLICY QUESTIONS: TRADE AND DEVELOPMENT

Report of the Second Committee (Part III)*

Rapporteur: Mr. Pae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 95 (see A/52/626, para. 2). Action on sub-item (b) was taken at the 42nd, 47th and 48th meetings, on 17 November and 4 and 5 December 1997. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/52/SR.42, 47 and 48).

II. CONSIDERATION OF PROPOSALS

A. Draft resolution A/C.2/52/L.23 and Rev.1

2. At the 42nd meeting, on 17 November, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Economic measures as a means of political and economic coercion against developing countries" (A/C.2/52/L.23), which read:

"The General Assembly,

"Recalling the relevant principles set forth in the Charter of the United Nations,

* The report of the Committee on this item will be issued in five parts, under the symbol A/52/626 and Add.1-4.

"Reaffirming that no State may use or encourage the use of unilateral economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights,

"Bearing in mind the general principles governing the international trading system and trade policies for development contained in relevant resolutions, rules and provisions of the United Nations and the World Trade Organization,

"Reaffirming its resolutions 44/215 of 22 December 1989, 46/210 of 20 December 1991, 48/168 of 21 December 1993 and 50/96 of 20 December 1995,

"Gravely concerned that the use of coercive unilateral economic measures adversely affects the economy and development efforts of developing countries and has a general negative impact on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system,

"1. Takes note of the report of the Secretary-General on economic measures as a means of political and economic coercion against developing countries;[1]

"2. Urges the international community to adopt urgent and effective measures to eliminate the use by some developed countries of unilateral coercive economic measures against developing countries which are not authorized by relevant organs of the United Nations or are inconsistent with the principles contained in the Charter of the United Nations, as a means of forcibly imposing the will of one State on another;

"3. Requests the Secretary-General to continue to monitor the imposition of measures of this nature and to study the impact of such measures on the affected countries, including the impact on trade and development;

"4. Also requests the Secretary-General to submit a report to the General Assembly at its fifty-fourth session on the implementation of the present resolution."

3. At the 47th meeting, on 4 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), informed the Committee of the results of the informal consultations held on the draft resolution and drew the Committee's attention to a revised draft resolution entitled "Unilateral economic measures as a means of political and economic coercion against developing countries" (A/C.2/52/L.23/Rev.1), submitted by the sponsors of draft resolution A/C.2/52/L.23.

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[1] A/52/459.

4. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.23/Rev.1 by a recorded vote of 86 to 1, with 45 abstentions (see para. 14, draft resolution I).[2] The voting was as follows:

In favour: Algeria, Antigua and Barbuda, Argentina, Bahamas, Bahrain, Bangladesh, Barbados, Belize, Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Chile, China, Colombia, Costa Rica, Cote d'Ivoire, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, El Salvador, Ethiopia, Ghana, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Jordan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Liberia, Libyan Arab Jamahiriya, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Saint Lucia, Samoa, Saudi Arabia, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Thailand, Togo, United Arab Emirates, United Republic of Tanzania, Uruguay, Vanuatu, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe.

Against: United States of America.

Abstaining: Andorra, Armenia, Australia, Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Fiji, Finland, France, Georgia, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kazakhstan, Latvia, Lithuania, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Russian Federation, San Marino, Slovakia, Spain, Sweden, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland.

5. Before the adoption of the draft resolution, the representative of the United States of America made a statement; after the adoption of the draft resolution, statements were made by the representatives of Luxembourg (on behalf of the States Members of the United Nations that are members of the European Union) and the United Republic of Tanzania (on behalf of the States Members of the United Nations that are members of the Group of 77 and China) (see A/C.2/52/SR.47).

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[2] Subsequently, the delegation of Fiji indicated that it had intended to vote in favour; the delegations of Benin, Mozambique, Rwanda and Tunisia indicated that, had they been present at the time of the voting, they would have voted in favour; and the delegations of Germany and Greece indicated that, had they been present at the time of the voting, they would have abstained.

B. Draft resolution A/C.2/52/L.24 and Rev.1

6. At the 42nd meeting, on 17 November, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International trade and development" (A/C.2/52/L.24), which read:

"The General Assembly,

"Recalling its resolutions 50/95 and 50/98 of 20 December 1995 and 51/167 of 16 December 1996, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

"Emphasizing the importance of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system,

"Emphasizing also that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the growth and development of the developing countries, and emphasizing further that each country is responsible for its own economic policies for sustainable development,

"Noting the agreed conclusions of the high-level segment of the substantive session of 1997 of the Economic and Social Council on the theme 'Fostering an enabling environment for development: financial flows, including capital flows, investment and trade';[1]

"Noting with satisfaction the outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in April and May 1996,

"Noting also that the second Ministerial Conference of the World Trade Organization will take place at Geneva in May 1998,

I

"1. Reaffirms the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of the development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development;

"2. Reaffirms its political will and responsibility with respect to implementing the agreed commitments arrived at in the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in particular the document entitled 'A Partnership for Growth and

[1] A/52/3, chap. II, para. 5.

Development',[4] and, in this regard, welcomes the convening of a special high-level review meeting in 1998, which will contribute to the preparations for the tenth session of the Conference, to be held in Thailand in the year 2000;

"3. Welcomes the efforts by the Secretary-General of the Conference to build a lasting partnership for development with non-governmental actors, including through the 'Partners for Development' initiative, to be held at Lyon, France, in 1998;

"4. Welcomes the reports and the agreed conclusions of the Trade and Development Board on its fifteenth executive session[5] and its forty-fourth session,[6] and notes the important contribution that the Trade and Development Report, 1997, the World Investment Report and the Least Developed Countries: 1997 Report make to the work of the Board;

"5. Supports the efforts of the Secretary-General of the United Nations Conference on Trade and Development to implement fully the far-reaching reforms as embodied in the outcome of the ninth session of the United Nations Conference on Trade and Development;

"6. Notes that the United Nations Conference on Trade and Development is making increasing use of information technology to further enhance its effectiveness, and encourages the Conference to ensure that developing countries fully benefit from these new technologies;

"7. Notes the increasing application of electronic commerce in the conduct of international trade, and urges the United Nations system, in particular the United Nations Conference on Trade and Development, to assist developing countries, particularly the least developed countries, in this regard;

"8. Recognizes that the United Nations Conference on Trade and Development, having a comparative advantage in tackling trade-related development issues, should continue to facilitate the integration of developing countries and countries with economies in transition into the international trading system, in a complementary manner with the World Trade Organization, and to promote development through trade and investment in cooperation and coordination with the International Trade Centre, relevant institutions of the United Nations system and other international organizations;

"9. Requests the United Nations Conference on Trade and Development to continue, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to

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[4] See A/51/308.

[5] A/52/15 (Part I).

[6] A/52/15 (Part II).

investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

"10. Invites the United Nations Conference on Trade and Development to continue, inter alia, to follow developments in the international trading system, in particular their implications for developing countries, and to identify new opportunities arising from the implementation of the Uruguay Round agreements, and to assist developing countries to participate effectively in multilateral trade negotiations;

II

"11. Notes the outcome of the inaugural Ministerial Conference of the World Trade Organization, held in Singapore in December 1996, including the review of the implementation of the Uruguay Round agreements and their built-in agenda, and welcomes the adoption by the Conference of the Plan of Action for the least developed countries;

"12. Recognizes the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment;

"13. Stresses the need for the full integration of developing countries, in particular the least developed countries and countries with economies in transition, into the world economy, through, inter alia, improved market access for their exports, in accordance with the multilateral trading agreements;

"14. Welcomes, in this regard, the recognition that the movement in the direction of greater openness for developing economies should be an orderly process backed by effective policies at the international as well as the national level and that these policies should entail a phased approach to integration tailored to the circumstances of individual countries;[7]

"15. Reiterates the need to continue trade liberalization in areas of export interest to developing countries, including through a substantial reduction of tariff and other barriers to trade, in particular non-tariff barriers, and also reiterates the need for the elimination of discriminatory and protectionist practices in international trade relations, which will have the effect of improving access for the exports of developing countries, enhancing the competitiveness of their domestic industries and facilitating structural adjustment among developed economies;

"16. Stresses that all members of the World Trade Organization should implement their commitments in respect of the Uruguay Round agreements in a full, timely, faithful and continuous manner and that all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade

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[7] A/52/15 (Part II), chap. I, sect. B, agreed conclusions 440 (XLIV), para. 8.

Negotiations[8] should be applied effectively, taking into account specific difficulties and interests of developing countries, so as to maximize economic growth and the developmental benefits thereof for all, and in this respect reiterates the need for the full implementation of special and preferential treatment for developing countries in accordance with the Uruguay Round agreements;

"17. Emphasizes the importance of the strengthening of, and the attaining of greater universality by, the international trading system, and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and emphasizes the necessity for World Trade Organization member Governments and relevant international organizations to assist non-World Trade Organization members so as to facilitate their efforts with respect to accession in an expeditious and transparent manner on the basis of World Trade Organization rights and obligations and for the United Nations Conference on Trade and Development to provide technical assistance, thereby contributing to their rapid and full integration into the multilateral trading system;

"18. Emphasizes that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round;

"19. Deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by resorting to unilateral actions over and above those agreed in the Uruguay Round, and affirms that environmental and social concerns should not be used for protectionist purposes;

III

"20. Emphasizes the need for a balanced and integrated approach to environment, trade and development issues, and recognizes that Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development and that, in doing so, their environmental policies and measures with a potential trade impact are not to be used for protectionist purposes;

"21. Encourages the United Nations Conference on Trade and Development to continue its work on trade, environment and development, in particular, its special role in promoting the integration of trade, environment and development[9] by examining trade and environment issues from a development perspective;

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[8] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

[9] See resolution 50/95, para. 27.

IV

"22. Reaffirms the need to give priority to the problems facing the least developed countries, and reaffirms in particular that actions, as appropriate, should be taken to assist the least developed countries to maximize the potential opportunities and minimize possible difficulties arising from the Uruguay Round agreements;

"23. Urges Governments and the international organizations concerned to implement fully and expeditiously the Ministerial Declaration on Measures in Favour of the Least Developed Countries,[8] and to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform of the Programme on Least Developed and Net Food-importing Developing Countries,[8] as well as the recommendations adopted at the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s and at the ninth session of the United Nations Conference on Trade and Development, as they relate to trade and trade-related issues of the least developed countries;

"24. Requests Governments, organs, organizations and bodies of the United Nations system and intergovernmental and non-governmental organizations to take concrete measures to implement fully and as a matter of urgency the United Nations New Agenda for the Development of Africa in the 1990s, including the measures and recommendations agreed upon at its mid-term review, especially those related to trade and development;

"25. Invites the United Nations Conference on Trade and Development, the World Bank and the United Nations Development Programme to improve collaboration between the Conference's country-level programmes for least developed countries and the overall macroeconomic and sectoral policy dialogue in respect of those countries at the World Bank Consultative Group and United Nations Development Programme round tables;

"26. Stresses the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, as well as to recognize that developing countries which provide transit services need adequate support in maintaining and improving their transit infrastructure;

"27. Invites preference-giving countries to continue to improve and renew their generalized system of preferences schemes in keeping with the post-Uruguay Round trading system and with the objective of integrating developing countries, especially the least developed countries, into the international trading system, and stresses that ways and means should be found to ensure more effective utilization of generalized system of preferences schemes, particularly by least developed countries;

"28. Notes the concern among the beneficiaries that the enlargement of the scope of the generalized system of preferences by linking eligibility

to non-trade considerations may detract value from its original principles, namely, non-discrimination, universality, burden sharing and non-reciprocity;

"29. Stresses the need for developing countries to participate fully and more effectively in rule-making and standard-setting activities in the international trading system, and stresses that Governments, as well as international organizations, should extend technical assistance to developing countries to enable them to participate more effectively;

"30. Stresses also the need to ensure effective follow-up, with the support of the international community, of the Declaration and Programme of Action of the South-South Conference on Trade, Investment and Finance, held at San José in January 1997, which recognized, inter alia, the importance of international trade as an unprecedented engine of growth for developing countries, the opportunities and challenges of globalization and liberalization, the need for complete integration of the developing countries into the world economy and the international trading system, and the need to address the continued marginalization of the least developed countries in the world economy;

"31. Requests the Secretary-General, in collaboration with the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-third session on recommendations for effective follow-up to the relevant sections of the agreed conclusions of the high-level segment of the substantive session of 1997 of the Economic and Social Council on the theme 'Fostering an enabling environment for development: financial flows, including capital flows, investment and trade';[3]

"32. Requests the Secretary-General, in collaboration with the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-third session on the implementation of the present resolution, including developments in the multilateral trading system."

7. At the 48th meeting, on 5 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), informed the Committee of the results of the informal consultations held on the draft resolution and drew the attention of the Committee to a revised draft resolution entitled "International trade and development" (A/C.2/52/L.24/Rev.1), submitted by the sponsors of draft resolution A/C.2/52/L.24 and Australia, Canada, Japan, Mexico, New Zealand, Norway and the Russian Federation. The United States of America subsequently joined in sponsoring the revised draft resolution.

8. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.24/Rev.1 (see para. 14, draft resolution II).

9. Before the adoption of the draft resolution, the representative of the United Republic of Tanzania made a statement on behalf of the States Members of the United Nations that are members of the Group of 77 and China (see A/C.2/52/SR.48).

C. Draft resolutions A/C.2/52/L.26 and L.39

10. At the 42nd meeting, on 17 November, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Specific actions related to the particular needs and problems of landlocked developing countries" (A/C.2/52/L.26), which read:

"The General Assembly,

"Recalling the provisions of its resolutions 44/214 of 22 December 1989, 46/212 of 20 December 1991, 48/169 of 21 December 1993 and 50/97 of 20 December 1995,

"Recognizing that the lack of territorial access to the sea, aggravated by remoteness and isolation from world markets and prohibitive transit costs and risks, impose serious constraints on the overall socio-economic development efforts of the landlocked developing countries,

"Also recognizing that 16 of the landlocked developing countries are also classified by the United Nations as least developed countries, and that their geographical situation is an added constraint on their overall ability to cope with the challenges of development,

"Further recognizing that most transit countries are themselves developing countries facing serious economic problems, including the lack of adequate infrastructure in the transport sector,

"Recalling that measures to deal with the transit problems of landlocked developing countries require closer and even more effective cooperation and collaboration between those countries and their transit neighbours,

"Noting the relevant part of the Agenda for Development[10] on the particular needs and problems of landlocked developing countries,

"Recognizing the important role played by bilateral cooperative arrangements and regional and subregional cooperation and integration in alleviating the transit problems of the landlocked developing countries and improving the transit transport systems in landlocked and transit developing countries,

"Also recognizing the importance of continuing the activities of the regional commissions to improve the transit transport infrastructure in the landlocked and transit developing countries,

"Noting the importance of strengthening the existing international support measures with a view to addressing the problems of landlocked developing countries,

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[10] See resolution 51/240, annex.

"1. Reaffirms the right of access of landlocked developing countries to and from the sea and to freedom of transit through the territory of transit States by all means of transport, in accordance with international law;

"2. Also reaffirms that transit developing countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked developing countries should in no way infringe upon their legitimate interests;

"3. Calls upon both the landlocked developing countries and their transit neighbours, in the spirit of South-South cooperation, including bilateral cooperation, to implement measures to strengthen further their cooperative and collaborative efforts in dealing with their transit issues;

"4. Appeals once again to all States, international organizations and financial institutions to implement, as a matter of urgency and priority, the specific actions related to the particular needs and problems of landlocked developing countries agreed in the resolutions and declarations adopted by the General Assembly and the outcomes of recent major United Nations conferences relevant to landlocked developing countries, as well as in the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries;[11]

"5. Notes the convening of the Third Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, which took place in New York from 18 to 20 June 1997, and its agreed conclusions and recommendations and proposals for future actions;

"6. Calls upon the landlocked developing countries and their transit neighbours to intensify their cooperative and collaborative efforts in dealing with the transit problems, inter alia, by improving transit transport infrastructure facilities and bilateral and subregional agreements to govern transit transport operations, developing joint ventures in the area of transit transport and strengthening institutions and human resources dealing with transit transport;

"7. Welcomes the convening of the first subregional consultative meeting of countries of North-East Asia on transit transport cooperation, which took place at Ulaanbaatar from 20 to 22 May 1997 under the auspices of the United Nations Development Programme special unit for technical cooperation among developing countries and the United Nations Conference on Trade and Development, and endorses the Ulaanbaatar memorandum of understanding adopted at that meeting;

"8. Requests the Secretary-General of the United Nations, in collaboration with donor countries and institutions, in particular the

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[11] See TD/B/42(1)/11-TD/B/LDC/AC.1/7.

United Nations Development Programme, the regional commissions and relevant subregional institutions, to continue his efforts to organize specific consultative groups, when requested by the landlocked and transit developing countries concerned, to identify priority areas for action at the national and subregional levels and to draw up action programmes;

"9. Emphasizes that assistance for the improvement of transit transport facilities and services should be integrated into the overall economic development strategies of the landlocked and transit developing countries, and that donor assistance should consequently take into account the requirements for the long-term restructuring of the economies of the landlocked developing countries;

"10. Invites donor countries and multilateral financial and development institutions to provide landlocked and transit developing countries with appropriate financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities, including alternative routes and improved communications;

"11. Invites the United Nations Development Programme to further promote, as appropriate, subregional, regional and interregional projects and programmes, to expand its support in the transport and communications sectors to the landlocked and transit developing countries, and to enhance its technical cooperation for development so as to promote national and collective self-reliance among them;

"12. Requests the Secretary-General of the United Nations to convene in 1999 in New York, within the overall level of resources for the biennium 1998-1999, another meeting of governmental experts from landlocked and transit developing countries, representatives of donor countries, and representatives of financial and development institutions, including relevant regional and subregional economic organizations and commissions, to review progress in the development of transit systems, including sectoral questions, as well as transit transportation costs, with a view to exploring the possibility of formulating necessary action-oriented measures;

"13. Requests the Secretary-General of the United Nations Conference on Trade and Development to seek voluntary contributions to ensure the participation of representatives of landlocked and transit developing countries and representatives of donor countries and financial and development institutions at the meeting referred to in paragraph 12 of the present resolution;

"14. Notes with appreciation the contribution of the United Nations Conference on Trade and Development to formulating international measures to deal with the special problems of the landlocked developing countries, and urges the Conference, inter alia, to keep under constant review the evolution of transit transport infrastructure facilities, institutions and services, monitor the implementation of agreed measures, including by making a case study, collaborate in all relevant initiatives, including

those of the private sector and non-governmental organizations, and serve as a focal point on cross-regional issues of landlocked developing countries;

"15. Invites the Secretary-General of the United Nations, in consultation with the Secretary-General of the United Nations Conference on Trade and Development, to take appropriate measures for the effective implementation of the activities called for in the present resolution, and to strengthen, including through maintaining the appropriate level of the staff, the capacity of the Conference's Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries in order to effectively implement its mandate to further support the landlocked developing countries;

"16. Welcomes the note by the Secretary-General and progress report of the secretariat of the United Nations Conference on Trade and Development on specific actions related to the particular needs and problems of landlocked developing countries,[12] and requests the Secretary-General of the United Nations, together with the Secretary-General of the United Nations Conference on Trade and Development, to prepare a report on the implementation of the present resolution and submit it to the Trade Development Board and to the General Assembly at its fifty-fourth session."

11. At the 48th meeting, on 5 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), introduced a draft resolution entitled "Specific actions related to the particular needs and problems of landlocked developing countries" (A/C.2/52/L.39), submitted on the basis of informal consultations held on draft resolution A/C.2/52/L.26.

12. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.39 (see para. 14, draft resolution III).

13. In the light of the adoption of draft resolution A/C.2/52/L.39, draft resolution A/C.2/52/L.26 was withdrawn by its sponsors.

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

14. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

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[12] A/52/329.

DRAFT RESOLUTION I

Unilateral economic measures as a means of political and economic coercion against developing countries

The General Assembly,

Recalling the relevant principles set forth in the Charter of the United Nations,

Reaffirming the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States,[13] which states, inter alia, that no State may use or encourage the use of unilateral economic, political or any other type of measure to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights,

Bearing in mind the general principles governing the international trading system and trade policies for development contained in relevant resolutions, rules and provisions of the United Nations and the World Trade Organization,

Recalling its resolutions 44/215 of 22 December 1989, 46/210 of 20 December 1991, 48/168 of 21 December 1993 and 50/96 of 20 December 1995,

Gravely concerned that the use of unilateral coercive economic measures particularly adversely affects the economy and development efforts of developing countries and has a general negative impact on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system,

1. Takes note of the report of the Secretary-General;[14]

2. Urges the international community to adopt urgent and effective measures to eliminate the use of unilateral coercive economic measures against developing countries which are not authorized by relevant organs of the United Nations or are inconsistent with the principles of international law as set forth in the Charter of the United Nations, and which contravene the basic principles of the multilateral trading system;

3. Requests the Secretary-General to continue to monitor the imposition of measures of this nature and to study the impact of such measures on the affected countries, including the impact on trade and development;

4. Also requests the Secretary-General to submit a report to the General Assembly at its fifty-fourth session on the implementation of the present resolution.

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[13] Resolution 2625 (XXV), annex.

[14] A/52/459.

DRAFT RESOLUTION II

International trade and development

The General Assembly,

Recalling its resolutions 50/95 and 50/98 of 20 December 1995 and 51/167 of 16 December 1996, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

Emphasizing the importance of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system,

Emphasizing also that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the growth and development of the developing countries, and emphasizing further that each country is responsible for its own economic policies for sustainable development,

Noting agreed conclusions 1997/1 of the Economic and Social Council on the theme "Fostering an enabling environment for development: financial flows, including capital flows, investment and trade",[15]

Noting also that the mid-term review of the outcome of the ninth session of the United Nations Conference on Trade and Development will be held in 1998,

Noting further that the second Ministerial Conference of the World Trade Organization will be held at Geneva in May 1998,

I

1. Reaffirms the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of the development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development;

2. Also reaffirms its political will and responsibility with respect to implementing the agreed commitments reached at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in particular the document entitled "A Partnership for Growth and Development",[16] and, in this regard, welcomes the convening of a special high-level mid-term review meeting in 1998, which will contribute to the preparations for the tenth session of the Conference, to be held in Thailand in 2000;

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[15] A/52/3, chap. II.

[16] Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

3. Welcomes the efforts by the Secretary-General of the Conference to build a lasting partnership for development with non-governmental actors, including through the "Partners for Development" initiative, to be held at Lyon, France, in 1998;

4. Takes note of the reports and the agreed conclusions of the Trade and Development Board on its fifteenth executive session[17] and its forty-fourth session,[18] and notes the important contribution that the Trade and Development Report, 1997, the World Investment Report and the Least Developed Countries: 1997 Report make to the work of the Board;

5. Notes that the Trade and Development Board recommended that the General Assembly change the title of the Intergovernmental Group of Experts on Restrictive Business Practices to "Intergovernmental Group of Experts on Competition Law and Policy" and convene a fourth United Nations Conference on the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, as well as a diplomatic conference to consider and adopt a convention on arrest of ships, endorses the aforementioned change of title of the Intergovernmental Group, and stresses that the two conferences, as agreed by the Board, should be absorbed within the budget level proposed by the Secretary-General for the biennium 1998-1999;

6. Expresses its support for the efforts of the Secretary-General of the United Nations Conference on Trade and Development to implement fully the far-reaching reforms embodied in the outcome of the ninth session of the United Nations Conference on Trade and Development;

7. Notes that the United Nations Conference on Trade and Development is making increasing use of information technology to further enhance its effectiveness, and urges the Conference to assist developing countries in fully benefiting from these new technologies;

8. Also notes the increasing importance and application of electronic commerce on international trade, and urges the United Nations Conference on Trade and Development, in cooperation with other relevant parts of the United Nations system, to assist developing countries, in particular the least developed countries and, in this regard, further notes the needs of the economies in transition;

9. Recognizes that the United Nations Conference on Trade and Development, having a comparative advantage in tackling trade-related development issues, should continue to facilitate the integration of developing countries and countries with economies in transition into the international trading system, in a complementary manner with the World Trade Organization, and to promote development through trade and investment, in cooperation and

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[17] A/52/15 (Part I). To be issued in final form as Official Records of the General Assembly, Fifty-second Session, Supplement No. 15 (A/52/15).

[18] A/52/15 (Part II). To be issued in final form as Official Records of the General Assembly, Fifty-second Session, Supplement No. 15 (A/52/15).

coordination with the International Trade Centre, relevant institutions of the United Nations system and other international organizations;

10. Requests the United Nations Conference on Trade and Development to continue, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

11. Invites the United Nations Conference on Trade and Development to continue, inter alia, to follow developments in the international trading system, in particular their implications for developing countries, to identify new opportunities arising from the implementation of the Uruguay Round of multilateral trade negotiations agreements,[19] and to assist developing countries to participate effectively in multilateral trade negotiations;

II

12. Welcomes the outcome of the first Ministerial Conference of the World Trade Organization, held in Singapore in December 1996, and its adoption of the Plan of Action for the Least Developed Countries;

13. Also welcomes the announcements by some developed and developing countries, at the High-level Meeting on Integrated Initiatives for Least Developed Countries, of new or additional measures on market access for the least developed countries, and recommends that a full report on the outcome and follow-up to the Meeting be submitted to the Ministerial Conference of the World Trade Organization in May 1998;

14. Recognizes the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, and stresses the importance of those initiatives being in conformity with World Trade Organization rules, where applicable;

15. Stresses that, in the context of globalization and liberalization, there is need for the full integration of developing countries, in particular the least developed countries, and of economies in transition, into the world economy, through, inter alia, improved market access for their exports, in accordance with the multilateral trading agreements;

16. Also stresses in this context the need for various measures to be taken by the international community, including increased trade-related technical assistance and human and institutional capacity-building for strengthening the supply capacity of exportable goods and services of developing countries, in particular the least developed countries, with a view to their full integration into the world economy;

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[19] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (General Agreement on Tariffs and Trade (GATT) secretariat publication, Sales No. GATT/1994-7).

17. Welcomes, in this regard, the recognition that the movement in the direction of greater openness for developing economies should be an orderly process backed by effective policies at the international and national levels; and that those policies should entail a phased approach to integration, taking into account the circumstances of individual countries;[20]

18. Reiterates the importance of trade liberalization in developed and developing countries and the need to continue liberalization, particularly in areas of interest to developing countries, through, inter alia, a substantial reduction of tariff and other barriers, and also reiterates the need for the elimination of discriminatory and protectionist practices in international trade relations, which will have the effect of improving access for the exports of developing countries, enhancing the competitiveness of their domestic industries and facilitating structural adjustment among developed economies;

19. Stresses that all members of the World Trade Organization should implement their commitments in respect of the Uruguay Round agreements in a full, timely, faithful and continuous manner and that all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations[19] should be applied effectively, taking into account the specific interests of developing countries, so as to maximize economic growth and the developmental benefits for all and, in this respect, reiterates the need for the full implementation of special and preferential treatment for developing countries in accordance with the Uruguay Round agreements;

20. Emphasizes the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and emphasizes the necessity for Governments members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession in an expeditious and transparent manner on the basis of World Trade Organization rights and obligations, and for the United Nations Conference on Trade and Development to provide technical assistance, within its mandate, thereby contributing to their rapid and full integration into the multilateral trading system;

21. Also emphasizes that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations;

22. Deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by resorting to unilateral actions over and above those agreed in the Uruguay Round, and affirms that environmental and social concerns should not be used for protectionist purposes;

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[20] A/52/15 (Part II), chap. I, sect. B, agreed conclusions 440 (XLIV), para. 8.

III

23. Emphasizes the need for a balanced and integrated approach to issues of environment, trade and development, and recognizes that the objective of Governments should be to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development and that, in doing so, their environmental policies and measures with a potential trade impact are not used for protectionist purposes;

24. Encourages the United Nations Conference on Trade and Development to continue its work on trade, environment and development, in particular its special role in promoting the integration of trade, environment and development,[21] by examining trade and environmental issues from a development perspective in cooperation with relevant bodies and international organizations, including the Commission on Sustainable Development, the United Nations Environment Programme and the World Trade Organization, as task manager for the Commission on Sustainable Development;

IV

25. Reaffirms the need to give priority to the problems facing the least developed countries, and reaffirms in particular that actions should be taken, as appropriate, to assist the least developed countries to maximize the potential opportunities and minimize the possible difficulties arising from the Uruguay Round agreements;

26. Urges Governments and concerned international organizations to implement fully and expeditiously the Ministerial Declaration on Measures in Favour of the Least Developed Countries,[19] and to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform of the Programme on Least Developed and Net Food-importing Developing Countries,[19] as well as the recommendations adopted at the High-level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s[22] and at the ninth session of the United Nations Conference on Trade and Development, as they relate to trade and trade-related issues of concern to the least developed countries;

27. Requests Governments, organs, organizations and bodies of the United Nations system and intergovernmental and non-governmental organizations to take concrete measures to implement fully and as a matter of urgency the United Nations New Agenda for the Development of Africa in the 1990s,[23] including the measures and recommendations agreed upon at its mid-term review, especially those related to trade and development;

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[21] See resolution 50/95, para. 27.

[22] See A/50/745.

[23] Resolution 46/151, annex, sect. II.

28. Welcomes the adoption of an integrated framework for trade-related technical assistance at the High-level Meeting on Integrated Initiatives for Least Developed Countries, convened by the World Trade Organization at Geneva in October 1997, and invites the United Nations Conference on Trade and Development to further enhance the effectiveness and efficiency of its trade-related technical assistance activities for the least developed countries in collaboration with the World Trade Organization, the International Trade Centre, the United Nations Development Programme, the World Bank and the International Monetary Fund;

29. Invites the United Nations Conference on Trade and Development, the World Bank and the United Nations Development Programme to improve collaboration between the country-level programmes of the Conference for the least developed countries and the overall macroeconomic and sectoral policy dialogue in respect of those countries at the World Bank Consultative Group and United Nations Development Programme round-table meetings, bearing in mind General Assembly resolution 50/120 of 20 December 1995;

30. Stresses the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, and to recognize that developing countries that provide transit services need adequate support in maintaining and improving their transit infrastructure;

31. Invites preference-giving countries to continue to improve and renew their Generalized System of Preferences schemes in keeping with the post-Uruguay Round trading system and with the objective of integrating developing countries, especially the least developed countries, into the international trading system, and stresses that ways and means should be found to ensure more effective utilization of those schemes, particularly by the least developed countries;

32. Notes the concern among the beneficiaries that the enlargement of the scope of the Generalized System of Preferences, by linking eligibility to non-trade considerations, may detract value from its original principles, namely, non-discrimination, universality, burden sharing and non-reciprocity;

33. Stresses the need for increased and more effective participation by developing countries in rule-making and standard-setting activities in the context of the international trading system;

34. Welcomes the successful outcome of the South-South Conference on Trade, Investments and Finance, held at San José in January 1997, and stresses the need to ensure, by all concerned, with the support of the international community, effective follow-up of its Declaration and Programme of Action which recognized, inter alia, the importance of international trade as an unprecedented engine of growth for developing countries, the opportunities and challenges of globalization and liberalization, the need for the complete integration of the developing countries into the world economy and the international trading system, and the need to address the continued marginalization of the least developed countries in the world economy;

35. Requests the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-third session on recommendations for effective follow-up to the relevant sections of agreed conclusions 1997/1 of the Economic and Social Council;[33]

36. Also requests the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report orally to the General Assembly at its fifty-third session on the implementation of the present resolution, including developments in the multilateral trading system.

DRAFT RESOLUTION III

Specific actions related to the particular needs and problems of landlocked developing countries

The General Assembly,

Recalling the provisions of its resolutions 44/214 of 22 December 1989, 46/212 of 20 December 1991, 48/169 of 21 December 1993 and 50/97 of 20 December 1995 as well as the relevant parts of the Agenda for Development,[34]

Recognizing that the lack of territorial access to the sea, aggravated by remoteness and isolation from world markets, and prohibitive transit costs and risks impose serious constraints on the overall socio-economic development efforts of the landlocked developing countries,

Recognizing also that sixteen of the landlocked developing countries are also classified by the United Nations as least developed countries and that their geographical situation is an added constraint on their overall ability to cope with the challenges of development,

Recognizing further that most transit countries are themselves developing countries facing serious economic problems, including the lack of adequate infrastructure in the transport sector,

Recalling that measures to deal with the transit problems of landlocked developing countries require closer and even more effective cooperation and collaboration between those countries and their transit neighbours,

Noting the importance of strengthening, and in this respect recognizing the important role played by, bilateral cooperative arrangements and subregional cooperation and integration, as well as the activities of the regional commissions in alleviating the transit problems of the landlocked developing countries and improving the transit transport systems in landlocked and transit developing countries,

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[34] Resolution 51/240, annex.

Noting also the importance of strengthening the existing international support measures with a view to addressing further the problems of landlocked developing countries,

Noting further the holding of the Third Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, in New York from 18 to 20 June 1997,

Welcoming the First Subregional Consultative Meeting of countries of North-East Asia on transit transport cooperation, held at Ulaanbaatar from 20 to 22 May 1997 under the auspices of the United Nations Development Programme Special Unit for Technical Cooperation among Developing Countries and the United Nations Conference on Trade and Development,

1. Welcomes the note by the Secretary-General transmitting the progress report of the secretariat of the United Nations Conference on Trade and Development on specific actions related to the particular needs and problems of landlocked developing countries;[25]

2. Reaffirms the right of access of landlocked countries to and from the sea and freedom of transit through the territory of transit States by all means of transport, in accordance with international law;

3. Also reaffirms that transit developing countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked developing countries in no way infringe upon their legitimate interests;

4. Calls upon both the landlocked developing countries and their transit neighbours to implement measures to strengthen further their cooperative and collaborative efforts, including bilateral cooperation, in dealing with transit issues, inter alia, by improving the transit transport infrastructure facilities and bilateral and subregional agreements to govern transit transport operations, developing joint ventures in the area of transit transport and strengthening institutions and human resources dealing with transit transport, and, in this respect, notes that South-South cooperation also plays an important role in this field;

5. Appeals once again to all States, international organizations and financial institutions to implement, as a matter of urgency and priority, the specific actions related to the particular needs and problems of landlocked developing countries agreed in the resolutions and declarations adopted by the General Assembly and the outcomes of recent major United Nations conferences relevant to landlocked developing countries, as well as in the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community;[26]

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[25] A/52/329, annex.

[26] TD/B/42(1)/11-TD/B/LDC/AC.1/7, annex I.

6. Takes note of the agreed conclusions and recommendations and proposals for future action adopted at the Third Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions;

7. Welcomes the Ulaanbaatar memorandum of understanding adopted at the First Subregional Consultative Meeting of countries of North-East Asia on transit transport cooperation;

8. Also welcomes the continuing efforts being made by the Secretary-General of the United Nations Conference on Trade and Development, in collaboration with donor countries and institutions, in particular the United Nations Development Programme, the regional commissions and relevant subregional institutions, to organize specific consultative groups, as appropriate, when requested by the landlocked and transit developing countries concerned, to identify priority areas for action at the national and subregional levels and draw up action programmes;

9. Emphasizes that assistance for the improvement of transit transport facilities and services should be integrated into the overall economic development strategies of the landlocked and transit developing countries, and that donor assistance should consequently take into account the requirements for the long-term restructuring of the economies of the landlocked developing countries;

10. Invites donor countries, the United Nations Development Programme and multilateral financial institutions to provide landlocked and transit developing countries with appropriate financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities, including alternative routes and improved communications, and to promote subregional, regional and interregional projects and programmes;

11. Requests the Secretary-General of the United Nations to convene in 1999, within the overall level of resources for the biennium 1998-1999, another meeting of governmental experts from landlocked and transit developing countries and representatives of donor countries and financial and development institutions, including relevant regional and subregional economic organizations and commissions, to review progress in the development of transit systems, including sectoral aspects, as well as transit transportation costs, with a view to exploring the possibility of formulating necessary action-oriented measures;

12. Requests the Secretary-General of the United Nations Conference on Trade and Development to seek voluntary contributions to ensure the participation of representatives of landlocked and transit developing countries, donor countries, and financial and development institutions at the meeting referred to in paragraph 11 above;

13. Notes with appreciation the contribution of the United Nations Conference on Trade and Development to formulating international measures to deal with the special problems of the landlocked developing countries, and urges the Conference, inter alia, to keep under constant review the evolution of

transit transport infrastructure facilities, institutions and services, monitor the implementation of agreed measures, including by means of a case study as necessary, collaborate in all relevant initiatives, including those of the private sector and non-governmental organizations, and serve as a focal point for cross-regional issues of landlocked developing countries;

14. Invites the Secretary-General of the United Nations, in consultation with the Secretary-General of the United Nations Conference on Trade and Development, to take appropriate measures for the effective implementation of the activities called for in the present resolution, and to staff and equip adequately, in accordance with the outcome of the ninth session of the Conference, the Conference Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries so as to allow it to implement effectively its mandate to continue to support the landlocked developing countries;

15. Requests the Secretary-General of the United Nations, together with the Secretary-General of the United Nations Conference on Trade and Development, to prepare a report on the implementation of the present resolution and submit it to the Trade and Development Board and to the General Assembly at its fifty-fourth session.

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MACROECONOMIC POLICY QUESTIONS: SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

Report of the Second Committee (Part IV)*

Rapporteur: Mr. Rae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 95 (see A/52/626, para. 2). Action on sub-item (c) was taken at the 17th and 48th meetings, on 24 October and 5 December 1997. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/52/SR.17 and 48).

II. CONSIDERATION OF DRAFT RESOLUTIONS A/C.2/52/L.3 AND L.47

2. At the 17th meeting, on 24 October, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Science and technology for development" (A/C.2/52/L.3), which read:

"The General Assembly,

"Reaffirming the continuing validity of the Vienna Programme of Action on Science and Technology for Development,[1] adopted in 1979, its resolution

* The report of the Committee on this item will be issued in five parts, under the symbol A/52/626 and Add.1-4.

[1] Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979 (United Nations publication, Sales No. E.79.I.21 and corrigenda), chap. VII.

50/101 of 20 December 1995, and all other relevant United Nations resolutions and decisions, as well as the outcomes of United Nations major conferences concerning science and technology for development,

"Taking note of the outcome of the Meeting of Experts on Science and Technology of the Non-Aligned Countries held in Cartagena, Colombia, in March 1997, in the field of biological diversity,

"Recognizing the importance for developing countries of having access to science and technology so as to enhance their productivity and competitiveness in the world market,

"Stressing the need to promote, facilitate and finance access to and transfer of environmentally sound technologies and the corresponding know-how to the developing countries, on favourable terms, including on concessional and preferential terms, and stressing also that the transfer of technology would contribute to meeting the developing countries' obligations agreed to at the United Nations Conference on Environment and Development and in the relevant international conventions,

"Expressing concern over the further marginalization of developing countries in the process of globalization which has resulted in increased benefits from advances in science and technology and stressing the need for Governments and international development institutions to facilitate the transfer of privately owned technologies on concessional terms to developing countries,

"Noting the initiative by the Director-General of the United Nations Educational, Scientific and Cultural Organization to convene, in 1999, a world science conference,

"Recognizing that information technologies are important requisites for planning, development and decision-making in science and technology, and recognizing also their far-reaching implications for society,

"Reaffirming that the United Nations should play a central role in, and give the highest priority to, cooperation in science and technology, and in the enhancement of support and assistance to developing countries in their efforts to achieve sustainable development, and emphasizing the need to strengthen the United Nations organizations with a mandate in the field of science and technology, including the United Nations Conference on Trade and Development,

"Noting the work being undertaken by the Commission on Science and Technology for Development on its work programme for member States, especially the developing countries, and reaffirming its unique role as a global forum for the examination of science and technology questions, for the improvement of the understanding of science and technology policies and for the formulation of recommendations and guidelines on science and technology matters within the United Nations system, all in relation to development,

"Expressing its profound concern over the continued inadequacy of resources for fostering science and technology for development, and the lack of political will on the part of the developed countries in fulfilling their commitments in this respect,

"Recognizing the need for Governments, and regional and international bodies to take measures to ensure women better access to and participation within scientific and technological areas, especially where they are not represented or are under-represented,

"Taking note of the report of the Secretary-General on macroeconomic policy questions: science and technology for development,[2]

"1. Endorses Economic and Social Council decision 1997/306 of 25 July 1997, adopted at its substantive session of 1997 on the basis of the report of the Commission on Science and Technology for Development on its third session;[3]

"2. Also endorses the ongoing work of the Centre for Science and Technology for Development, with the support of the secretariat of the United Nations Conference on Trade and Development, emphasizes the importance of the activities that are to be pursued within the framework of the Commission, including a broad spectrum of new global challenges in science and technology, and encourages donors to support these undertakings; and, in this regard, encourages the Commission to expand, to the extent possible, the scope of its deliberations on the theme 'Science and technology partnerships and networking for national capacity-building' for the inter-sessional period 1997-1999;

"3. Reaffirms that capacity-building in science and technology in developing countries should constitute a priority issue in the United Nations agenda, and urges that international cooperation efforts be intensified and strengthened towards developing countries' endogenous capacity-building in science and technology, including their capacity to utilize scientific and technological developments from abroad as well as to modify and adapt them to suit local conditions, with the recommendation that the United Nations should play in future an ever-increasing role in these processes and the development of a new generation of environmentally sound technologies;

"4. Stresses the urgent need to strengthen the vital role of the United Nations in the field of science and technology as a cross-cutting concern within the work of the United Nations, particularly through effective policy guidance and better coordination, including international cooperation in technology assessment, monitoring and forecasting, and calls upon the organizations, funds and programmes of the United Nations to work

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[2] A/52/320.

[3] Official Records of the Economic and Social Council, 1997, Supplement No. 11 (E/1997/31).

in a coordinated manner to develop a catalogue of proved technologies to enable effective choice, by developing countries, of state-of-the-art technologies;

"5. Calls upon the international community, particularly developed countries and international organizations, to fulfil all their commitments as affirmed in chapter 34 of Agenda 21,[4] as well as in the outcome of the nineteenth special session of the General Assembly;

"6. Expresses the need for the provision of financial resources on a continuous and assured basis to the developing countries as regards their acquiring technology for development including environmentally sound technologies, in accordance with the provisions of Agenda 21, the outcome of the nineteenth special session of the General Assembly, and an agenda for development[5] as well as other relevant United Nations instruments;

"7. Emphasizes that the barriers to and restrictions on the transfer of technology to developing countries, including new technology regimes established unilaterally and/or plurilaterally, should be identified and removed while creating incentives, fiscal and otherwise, for the transfer of such technologies; expresses its concern over the fact that the developing countries are increasingly facing obstacles in respect of accessing new technologies, with export restrictions being put in place on various pretexts; and emphasizes that intellectual property rights regimes should not increase the cost of technology transfer to developing countries;

"8. Recognizes the importance of cooperation among developing countries in the field of science and technology, building on their complementarities, and that the need to further advance such cooperation, through the establishment and/or strengthening of national technology and information centres in developing countries and their networking on regional, subregional, interregional and global levels to promote technology research, development and dissemination among themselves, further calls for cooperation between universities and research institutions, and urges the international community to support such initiatives through financial and technical assistance;

"9. Reiterates the affirmation of the General Assembly, as put forth in paragraph 93 of the annex to its resolution S/19-2 of 28 June 1997, that the creation of centres for the transfer of technology at various levels could greatly contribute to achieving the objective of transfer of environmentally sound technologies to developing countries, and that, for this purpose, cooperation between existing United Nations bodies and

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[4] Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

[5] See document A/AC.250/1 (Parts I, II and III), annex.

mechanisms with a mandate in this field, including technical cooperation among developing countries, economic cooperation among developing countries, the Centre for Science and Technology for Development, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the United Nations Environment Programme, and the regional commissions, should be promoted;

"10. Welcomes Economic and Social Council decision 1997/306 of 25 July 1997 in which the Council approved the provisional agenda for the fourth session of the Centre for Science and Technology for Development, one of whose items is entitled 'Common vision on the future of science and technology for development on the occasion of the twentieth anniversary (in 1999) of the United Nations Conference on Science and Technology for Development';

"11. Stresses the important role that the United Nations Fund for Science and Technology for Development should play in enhancing endogenous capacity-building in science and technology in developing countries, and also stresses that additional measures by the United Nations for purposes of enhancing the ability of the developing countries to address their pressing needs in this sector are a necessity;

"12. Invites the relevant bodies of the United Nations system to assess their capability to provide assistance and promote cooperation in the area of information and communication technologies, and to suggest areas in which they are best able to assist developing countries in the design and implementation of national strategies on such technologies;

"13. Requests the Secretary-General to submit to the General Assembly at its fifty-fourth session a report on the progress made in the implementation of the present resolution."

3. At the 48th meeting, on 5 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), introduced a draft resolution entitled "Science and technology for development" (A/C.2/52/L.47), which was submitted on the basis of informal consultations held on draft resolution A/C.2/52/L.3.

4. The representatives of the Islamic Republic of Iran (on behalf of the States Members of the United Nations that are members of the Group of 77 and China) and Luxembourg (on behalf of the States Members of the United Nations that are members of the European Union) orally corrected the text.

5. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.47 (see para. 7).

6. In the light of the adoption of draft resolution A/C.2/52/L.47, draft resolution A/C.2/52/L.3 was withdrawn by its sponsors.

III. RECOMMENDATION OF THE SECOND COMMITTEE

7. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Science and technology for development

The General Assembly,

Reaffirming the continuing validity of the Vienna Programme of Action on Science and Technology for Development,[6] adopted in 1979, its resolution 50/101 of 20 December 1995 and all other relevant United Nations resolutions and decisions, as well as the outcomes of United Nations major conferences concerning science and technology for development,

Taking note of the Meeting of Experts on Science and Technology of the Non-Aligned Countries held in Cartagena, Colombia, in March 1997, in the field of biological diversity,

Recognizing the importance for developing countries of having access to science and technology so as to enhance their productivity and competitiveness in the world market, and stressing the need to promote, facilitate and finance, as appropriate, access to and transfer of environmentally sound technologies and the corresponding know-how, in particular to the developing countries, on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights as well as the special needs of developing countries,

Stressing, given the fact that much of the most advanced environmentally sound technology is developed and held by the private sector, that the creation of an enabling environment, on the part of both developed and developing countries, including supportive economic and fiscal measures, as well as a practical system of environmental regulations and compliance mechanisms, can help to stimulate private-sector investment in and transfer of environmentally sound technologies to developing countries, as affirmed by the General Assembly in paragraph 90 of the annex to its resolution S/19-2 of 28 June 1997,

Also stressing that further efforts should be made by Governments and international development institutions to facilitate the transfer of privately owned technologies on concessional terms as mutually agreed, to developing countries, especially least developed countries, as affirmed by the General Assembly in paragraph 90 of the annex to its resolution S/19-2 of 28 June 1997,

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[6] Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979 (United Nations publication, Sales No. E.79.I.21 and corrigenda), chap. VII.

Expressing concern over the risk of marginalization of many developing countries, in particular the least developed and the African countries, in the process of globalization, which has resulted in increased benefits from advances in science and technology,

Recognizing the importance of developing countries' own efforts in the field of science and technology for development,

Noting the proposal by the Director-General of the United Nations Educational, Scientific and Cultural Organization to convene, in 1999, a world science conference,

Recognizing that information technologies are important requisites for planning, development and decision-making in science and technology, and recognizing also their far-reaching implications for society,

Reaffirming that the United Nations should play an important role in the promotion of cooperation in science and technology, as one of its priorities, and in the enhancement of support and assistance to developing countries in their efforts to achieve sustainable development, and emphasizing the need to enhance the capability of the relevant United Nations organizations, including the United Nations Conference on Trade and Development, to address relevant issues in the field of science and technology,

Noting the work being undertaken by the Commission on Science and Technology for Development on its work programme for member States, especially the developing countries, and reaffirming its unique role as a global forum for examining science and technology questions, improving the understanding of science and technology policies, and formulating recommendations and guidelines on science and technology matters within the United Nations system, all in relation to development, without prejudice to the Economic and Social Council review of its subsidiary bodies, as initiated under General Assembly resolution 50/227, bearing in mind other relevant Assembly resolutions,

Recognizing the need for adequate resources to be devoted to fostering science and technology for development,

Recognizing the need for Governments, and regional and international bodies to take measures to ensure women better access to and participation in scientific and technological areas, especially where they are not represented or are under-represented,

Taking note of the report of the Secretary-General entitled "Macroeconomic policy questions: science and technology for development",[7]

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[7] A/52/320.

1. Reaffirms Economic and Social Council decision 1997/306 of 25 July 1997, in which the Council approved the provisional agenda for the fourth session of the Commission on Science and Technology for Development on the basis of the report of the Commission on its third session;[8]

2. Recognizes the ongoing work of the Commission for Science and Technology for Development, emphasizes the importance of the activities that are to be pursued within the framework of the Commission, including a broad spectrum of new global challenges in science and technology, encourages support to those undertakings and, in that regard, reaffirms that the substantive theme for the inter-sessional period 1997-1999 of the Commission will be "Science and technology partnerships and networking for national capacity-building";

3. Reaffirms that capacity-building in science and technology in developing countries should remain a priority issue on the United Nations agenda, and urges that international cooperation efforts be intensified and strengthened towards developing countries' endogenous capacity-building in science and technology, including their capacity to utilize scientific and technological developments from abroad as well as to modify and adapt them to suit local conditions;

4. Also recognizes the role of Governments in science and technology for development, in particular in providing appropriate regulatory frameworks and incentives for the development of science and technology capabilities;

5. Further recognizes the role of the private sector in science and technology for development, in particular in the transfer and development of science and technology capabilities;

6. Stresses the need to strengthen the important role of the United Nations in the field of science and technology as a cross-cutting concern within the work of the United Nations, particularly through effective policy guidance and better coordination, including international cooperation in technology assessment, monitoring and forecasting, as well as in the area of information and communication technologies, and in providing an environment conducive to the development of new environmentally sound technologies, and calls upon the organizations, funds and programmes of the United Nations to continue to work in a coordinated and expeditious manner to develop a catalogue of proved technologies to enable effective technology choice, by developing countries, of state-of-the-art technologies;

7. Reaffirms the need to fulfil the commitments on the provision of financial resources and transfer of technology contained in chapter 34 of

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[8] Official Records of the Economic and Social Council, 1997, Supplement No. 11 (E/1997/31).

Agenda 21,[9] the outcome of the nineteenth special session of the General Assembly and the Agenda for Development;[10]

8. Reaffirms the need for adequate financial resources on a continuous and assured basis to foster science and technology for development, in particular to promote endogenous capacity-building in developing countries in accordance with their priorities;

9. Stresses that the current forms of cooperation involving the public and private sectors of developing and developed countries should be built upon and expanded, and in that context, also stresses the importance of identifying barriers and restrictions to the transfer of publicly and privately owned technologies, as affirmed by the General Assembly in paragraph 88 of the annex to its resolution S/19-2 of 28 June 1997 as well as other relevant General Assembly resolutions and decisions, with a view to reducing such constraints while creating specific incentives, fiscal and otherwise, for the transfer of such technologies;

10. Recognizes the importance of cooperation among developing countries in the field of science and technology, building on their complementarities, and the need for further advancing such cooperation through the establishment and/or strengthening of national technology and information centres in developing countries and networking on regional, subregional, interregional and global levels to promote technology research, training and dissemination as well as joint projects in developing countries, and urges the organizations and bodies of the United Nations system and other relevant international, regional and subregional organizations and programmes to provide continued and enhanced support through technical assistance and financing for such efforts;

11. Reiterates the affirmation of the General Assembly, as set forth in paragraph 93 of the annex to its resolution S/19-2 of 28 June 1997, that the creation of centres for the transfer of technology at various levels, including the regional level, could greatly contribute to achieving the objective of transfer of environmentally sound technologies to developing countries, and that, for that purpose, existing United Nations bodies and mechanisms, including, as appropriate, mechanisms for technical and environmental cooperation among developing countries, the Centre for Science and Technology for Development, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the United Nations Environment Programme and the regional commissions, should cooperate;

12. Invites the relevant bodies of the United Nations system to assess their capability to provide assistance and promote cooperation in the area of information and communication technologies, and to suggest areas in which they

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[9] Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

[10] Resolution 51/240, annex.

are best able to assist interested countries, in particular the developing countries, in the design and implementation of national strategies on such technologies;

13. Requests the Secretary-General to submit to the General Assembly at its fifty-fourth session a report on the progress made in the implementation of the present resolution.

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MACROECONOMIC POLICY QUESTIONS: EXTERNAL DEBT CRISIS AND DEVELOPMENT

Report of the Second Committee (Part V)*

Rapporteur: Mr. Rae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 95 (see A/52/626, para. 2). Action on sub-item (d) was taken at the 20th and 50th meetings, on 28 October and 9 December 1997. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/52/SR.20 and 50).

II. CONSIDERATION OF DRAFT RESOLUTIONS A/C.2/52/L.8 AND L.58

2. At the 20th meeting, on 28 October, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Enhancing international cooperation towards a durable solution to the external debt problem of developing countries" (A/C.2/52/L.8), which read:

"The General Assembly,

"Recalling its resolutions 48/165 of 21 December 1993 and 50/92 of 20 December 1995, the relevant provisions of the report of the Ad Hoc Committee of the Whole of the General Assembly for the Mid-term Review of the Implementation of the United Nations New Agenda for the Development of

* The report of the Committee on this item will be issued in five parts, under the symbol A/52/626 and Add.1-4.

Africa in the 1990s,[1] and the relevant parts of the Agenda for Development,[2] as well as the results, as agreed, of all major United Nations conferences and summit meetings held since the beginning of the 1990s,

"Recalling also its resolution 51/164 of 16 December 1996 on enhancing international cooperation towards a durable solution to the external debt problem of developing countries,

"Reaffirming the urgent need for effective, equitable, comprehensive, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, and to help them exit from the rescheduling process,

"Noting that stabilization and structural adjustment programmes have been undertaken by developing countries but at considerable social and human costs,

"Stressing the need for full, swift and flexible implementation of debt-relief initiatives, so as to assist developing countries, in particular the poorest and heavily indebted countries, especially in Africa, in their efforts to improve their debt situation in view of their continued very high level of total debt stock and servicing burdens,

"Noting with concern the continuing debt and debt-servicing problems of indebted developing countries as constituting an element adversely affecting their development efforts and economic growth, and stressing the importance of alleviating the onerous debt and debt-service burdens connected with the various types of debt of many developing countries, on the basis of an effective, equitable, comprehensive, development-oriented and durable approach and addressing the full stock of debt of the poorest and most indebted developing countries as a matter of priority,

"Noting that the developing countries that have continued, at great cost to themselves, to meet their international debt and debt-service obligations in a timely fashion have done so despite serious external and domestic financial constraints,

"Expressing concern that debt-relief measures taken so far have not yet fully provided effective, equitable, comprehensive, development-oriented and durable solutions to the outstanding debt and debt-servicing problems of a large number of developing countries, in particular the poorest and heavily indebted countries,

"Stressing the need for management of the process of globalization and liberalization in a manner that creates a supportive international economic

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[1] Official Records of the General Assembly, Fifty-first Session, Supplement No. 49 (A/51/49).

[2] General Assembly resolution 51/240, annex.

environment with regard to, inter alia, terms of trade, commodity prices, improved market access, trade practices, access to technology, and enhanced financial flows, particularly official development assistance, so as to ensure the sustained growth and development of developing countries,

"Stressing also the importance of finding a durable solution to the non-Paris Club debt which has become a serious challenge to many developing countries in their pursuit of sustainable economic development,

"1. Takes note of the report of the Secretary-General on the debt situation of the developing countries as at mid-1997;[3]

"2. Recognizes that effective, equitable, comprehensive, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries are essential for the strengthening of the global economy and to the efforts of developing countries to achieve sustained economic growth and sustainable development;

"3. Notes that further progress, including swift and flexible implementation of innovative approaches and concrete measures, is essential for contributing to effective, equitable, comprehensive, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, particularly the poorest and heavily indebted countries;

"4. Also notes the adverse impact of the volatility of short-term capital flows, exchange rates and international interest rates on the debt situation of developing countries;

"5. Stresses the need for the international community to promote a conducive external economic environment through, inter alia, improved market access, increased resource flows and improved access to technology for the developing countries;

"6. Also stresses the need for policy coherence among developed countries so as to avoid volatility of short-term capital flows, exchange rates and international interest rates which can have an adverse impact on the debt situation of developing countries;

"7. Further stresses that the evolving debt strategy must be accompanied by a favourable and supportive international economic environment, including the full implementation of the results of the Uruguay Round of multilateral trade negotiations, and the Marrakesh ministerial decisions in favour of the least developed countries and the net food-importing developing countries;[4]

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[3] A/52/290.

[4] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT

"8. Invites bilateral and multilateral creditors and commercial banks to implement new initiatives including debt swaps, and debt and debt-service cancellation for debtor developing countries in response to the implementation of outcomes and action plans of major United Nations conferences;

"9. Recognizes that the Heavily Indebted Poor Countries Debt Initiative, endorsed by the Development Committee of the World Bank and the Interim Committee of the International Monetary Fund, was designed to enable heavily indebted poor countries to achieve a sustainable debt situation through coordinated action by all creditors on the basis of adjustment efforts by the debtor countries;

"10. Also recognizes that the implementation of the Initiative requires additional financial resources from both bilateral and multilateral creditors without affecting the support required for development activities of developing countries and invites bilateral donors to contribute to the Trust Fund for the implementation of the Initiative;

"11. Expresses its concern at the slow progress made to date in implementing the Initiative and in this regard calls for a timely finalization of the agreements to implement it in order to allow the countries to benefit from the Initiative;

"12. Stresses the urgent need for the developed countries to give the Initiative the support it both needs and deserves and to implement it flexibly;

"13. Also stresses the importance of implementing the Initiative's eligibility criteria flexibly, in a transparent manner, and with the full involvement of the debtor country, and further stresses the importance of continuously evaluating and actively monitoring the implications of the existing terms of the eligibility criteria in the implementation of the Initiative, so as to ensure sufficient coverage of heavily indebted poor countries;

"14. Calls for a reduction in the duration of the track record of sound economic policies required for the provision of debt relief under the Initiative, and in order to allow beneficiary countries to reach debt sustainability rapidly and avoid additional costs associated with delays in debt relief, requests that the period between the decision and completion points be shortened and that interim assistance be provided;

"15. Also calls for the provision of additional financial resources by both bilateral and multilateral creditors, including interim financing, without affecting the support required for development activities of developing countries, and encourages bilateral donors to contribute the necessary resources to the Heavily Indebted Poor Countries Trust Fund of the World Bank and to the Enhanced Structural Adjustment Facility Trust Fund of the International Monetary Fund for the implementation of the Initiative;

"16. Stresses the need for the Paris Club to swiftly implement the decision to go beyond the Naples terms to provide debt reduction, including debt stock cancellation for the poorest and most heavily indebted countries, and urges all other bilateral creditors to make comparable contributions in the context of coordinated efforts by all countries;

"17. Recognizes the efforts of indebted developing countries in regard to fulfilling their commitments on debt servicing despite the incurring of a high social cost;

"18. Notes with concern the continuing burden of debt and debt-service obligations of middle-income developing countries and, in this regard, encourages all creditors to continue their initiatives and efforts to address the debt problems of middle-income developing countries;

"19. Invites creditor countries, commercial banks and multilateral financial institutions to continue the initiatives and efforts to address the commercial debt problems of the least developed countries and the requests for continued mobilization of resources through the Debt-reduction Facility of the International Development Association in order to help least developed countries reduce their commercial debt;

"20. Expresses concern at the lack of funding for continuous Enhanced Structural Adjustment Facility operations and invites the Executive Board of the International Monetary Fund to consider favourably a portion sale of its gold reserves in order to generate income that can be used for this purpose;

"21. Welcomes the recommendations made by the Executive Board of the World Bank to allocate an additional 250 million United States dollars from International Bank for Reconstruction and Development surplus to the Heavily Indebted Poor Countries Trust Fund so as to meet the Bank's share of debt relief, as well as the authorization by the Executive Board of the International Monetary Fund of a transfer of up to 180 million special drawing rights to finance special Enhanced Structural Adjustment Facility operations under the Heavily Indebted Poor Countries initiative;

"22. Expresses strong support for the continuation of Enhanced Structural Adjustment Facility operations and also expresses serious concern about the lack of consensus regarding its funding modalities in the interim period (2001-2004);

"23. Stresses the need for intensive efforts to secure adequate funding for the eleventh replenishment of the International Development Association and the need for an adequate twelfth replenishment of the Association to a level commensurate with the needs of the poorest countries;

"24. Reaffirms the Mid-term Global Review of Progress towards the Implementation of the Programme of Action for the Least Developed Countries

for the 1990s,[5] in particular the appropriate actions in favour of those countries concerning their official bilateral, commercial and multilateral debt;

"25. Stresses the need for, in addition to debt-relief measures that include debt and debt-service reduction, new financial flows to debtor developing countries from all sources, and urges creditor countries and multilateral financial institutions to continue to extend concessional financial assistance, particularly to the least developed countries, in order to support the implementation of economic reforms, stabilization and structural adjustment programmes and the eradication of poverty by the developing countries so as to enable them to extricate themselves from the debt overhang and attract new investment and to assist them in achieving sustained economic growth and sustainable development;

"26. Calls upon the international community, including the United Nations system, and invites the Bretton Woods institutions, as well as the private sector, to take urgent measures and action for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits organized since the beginning of the 1990s on development related to the question of external debt;

"27. Requests the Secretary-General to report to the General Assembly at its fifty-third session on the implementation of the present resolution."

3. At the 50th meeting, on 9 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), introduced a draft resolution entitled "Enhancing international cooperation towards a durable solution to the external debt problem of developing countries" (A/C.2/52/L.58), which was submitted on the basis of informal consultations held on draft resolution A/C.2/52/L.8. In introducing the draft resolution, he proposed that the brackets be deleted around the words "sustained economic growth and sustainable development" in the thirteenth preambular paragraph and operative paragraphs 2 and 20.

4. At the same meeting, at the request of the representative of the United States of America, the Committee voted on draft resolution A/C.2/52/L.58, which was adopted by a recorded vote of 150 to 1, with 1 abstention (see para. 7). The voting was as follows:[6]

In favour: Algeria, Andorra, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Cape Verde, Chile, China, Colombia, Congo,

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[5] Resolution 50/103, annex.

[6] The delegation of Slovenia subsequently indicated that, had it been present at the time of the voting, it would have voted in favour of the draft resolution.

Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Fiji, Finland, France, Georgia, Germany, Ghana, Greece, Guatemala, Guinea, Guinea-Bissau, Guyana, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lesotho, Liberia, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Malawi, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mexico, Micronesia (Federated States of), Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Russian Federation, Rwanda, Saint Lucia, Samoa, San Marino, Saudi Arabia, Senegal, Sierra Leone, Singapore, Slovakia, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe.

Against: United States of America.

Abstaining: Romania.[7]

5. Before the adoption of the draft resolution, statements were made by the representatives of the United States of America, the United Republic of Tanzania (on behalf of the States Members of the United Nations that are members of the Group of 77 and China) and China; after the draft resolution was adopted, statements were made by the representatives of Jamaica, Luxembourg (on behalf of the States Members of the United Nations that are members of the European Union), the Russian Federation, Nigeria and Australia (see A/C.2/52/SR.50).

6. In the light of the adoption of draft resolution A/C.2/52/L.58, draft resolution A/C.2/52/L.8 was withdrawn by its sponsors.

III. RECOMMENDATION OF THE SECOND COMMITTEE

7. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

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[7] The delegation of Romania subsequently indicated that it had intended to vote in favour of the draft resolution, but that its vote had been recorded as an abstention.

Enhancing international cooperation towards a durable solution to the external debt problem of developing countries

The General Assembly,

Recalling its resolutions 48/165 of 21 December 1993 and 50/92 of 20 December 1995, the relevant provisions of the report of the Ad Hoc Committee of the Whole of the General Assembly for the Mid-term Review of the Implementation of the United Nations New Agenda for the Development of Africa in the 1990s,[8] and the Agenda for Development,[9] as well as the results, as agreed, of all major United Nations conferences and summit meetings held since the beginning of the 1990s,

Recalling also its resolution 51/164 of 16 December 1996 on enhancing international cooperation towards a durable solution to the external debt problem of developing countries,

Reaffirming the urgent need for effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, and to help them exit from the rescheduling process,

Noting that developing countries have undertaken stabilization and structural adjustment programmes that benefit those countries but also involve social costs,

Emphasizing the importance for debtor countries of continuing to pursue and intensify their efforts with respect to economic reform and stabilization and structural adjustment programmes to raise domestic savings and investments, of taking full advantage of market access opportunities where available, of reducing inflation and of improving economic efficiency, taking into account the need to address the social aspects of development, including the eradication of poverty as well as the vulnerability of the poorer strata of their populations,

Noting the improvement in the debt situation of a number of developing countries since the second half of the 1980s and the contribution that the evolving debt strategy has made to this improvement, noting with appreciation the debt-relief measures taken by creditor countries both within the framework of the Paris Club and through their cancellation and equivalent relief of bilateral official debt, and welcoming the even more favourable debt-relief measures taken by the Paris Club on the basis of the Naples terms of December 1994,

Welcoming the admission of the Russian Federation to the Paris Club,

Stressing the need for a full, swift implementation of those initiatives, which will further assist developing countries, in particular the poorest and

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[8] Official Records of the General Assembly, Fifty-first Session, Supplement No. 48 (A/51/48).

[9] Resolution 51/240, annex.

heavily indebted countries, especially in Africa, in their efforts to improve their debt situation in view of their continued very high level of total debt stock and servicing burdens,

Noting with concern the continuing debt and debt-servicing problems of indebted developing countries as constituting an element adversely affecting their development efforts and economic growth, and stressing the importance of alleviating the onerous debt and debt-service burdens connected with the various types of debt of many developing countries, on the basis of an effective, equitable, development-oriented and durable approach and, where appropriate, addressing the full stock of debt of the poorest and most indebted developing countries as a matter of priority,

Noting that the developing countries that have continued, at great cost to themselves, to meet their international debt and debt-service obligations in a timely fashion have done so despite serious external and domestic financial constraints,

Expressing concern that despite the debt-relief measures taken so far, those measures have not yet fully provided effective, equitable, development-oriented and durable solutions to the outstanding debt and debt-servicing problems of a large number of developing countries, in particular the poorest and heavily indebted countries, which continue to face serious debt problems,

Noting the situation in some creditor countries with economies in transition in addressing the external debt and debt-servicing problems of developing countries,

Stressing the need for continuing global economic growth and the necessity for a continuing supportive international economic environment with regard to, inter alia, terms of trade, commodity prices, improved market access, trade practices, access to technology, exchange rates and international interest rates, and noting the continued need for resources for the sustained economic growth and sustainable development of the developing countries,

Stressing also the importance of finding durable solutions to the non-Paris Club bilateral debt, which has become a serious challenge to many developing countries,

1. Takes note of the report of the Secretary-General on the debt situation of the developing countries as at mid-1997;[10]

2. Recognizes that effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries can contribute substantially to the strengthening of the global economy and to the efforts of developing countries to achieve sustained economic growth and sustainable development;

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[10] A/52/290.

3. Notes that further progress, including swift implementation of innovative approaches and concrete measures, is essential for contributing to effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, particularly the poorest and heavily indebted countries;

4. Also notes, while recognizing the benefits of liberalization of international capital flows, the potential adverse impact of the volatility of short-term capital flows, and exchange rates on interest rates and the debt situation of developing countries, and stresses the need for coherence in implementing policies in order to mitigate the impact of such volatility;

5. Stresses the importance for developing countries of continuing their efforts to promote a favourable environment for attracting foreign investment, thereby promoting economic growth and sustainable development so as to favour their exit from debt and debt-servicing problems, and also stresses the need for the international community to promote a conducive external economic environment through, inter alia, improved market access, stabilization of exchange rates, effective stewardship of international interest rates, increased resource flows, access to international financial markets, the flow of financial resources and improved access to technology for the developing countries;

6. Also stresses that the evolving debt strategy must be accompanied by a favourable and supportive international economic environment, including the full implementation of the results of the Uruguay Round of multilateral trade negotiations, and the Marrakesh ministerial decisions in favour of the least developed countries and the net food-importing developing countries;[11]

7. Further stresses the need for existing facilities to provide debt-relief measures through various debt conversion programmes, where possible, such as debt-equity swaps, debt-for-nature swaps, debt-for-child-development swaps, and other debt-for-development swaps, to be widely implemented so that the countries concerned may be assisted in their development efforts as well as to support measures in favour of the most vulnerable segments of the societies of those countries and to develop techniques of debt conversion applied to social development programmes and projects, in conformity with the priorities of the World Summit for Social Development, held at Copenhagen in March 1995;[12]

8. Welcomes the steps already taken to implement the Heavily Indebted Poor Countries Debt Initiative and in this regard calls for its timely finalization and implementation so as to enable eligible countries to benefit from the Initiative;

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[11] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

[12] See Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995 (United Nations publication, Sales No. E.96.IV.8).

9. Recognizes that the implementation of the Initiative requires additional financial resources from both bilateral and multilateral creditors without affecting the support required for development activities of developing countries and in this regard expresses its appreciation for contributions made by some bilateral donors to the Heavily Indebted Poor Countries Trust Fund of the World Bank and the Enhanced Structural Adjustment Facility/Heavily Indebted Poor Countries Trust Fund of the International Monetary Fund, and urges other bilateral donors and invites other international financial institutions that have not yet finalized mechanisms for participation in the Initiative to do so as soon as possible;

10. Stresses the importance of implementing the Initiative's eligibility criteria flexibly, in a transparent manner, and with the full involvement of the debtor country, and also stresses the importance of continuously evaluating and actively monitoring the implications of the existing terms of the eligibility criteria in the implementation of the Initiative, so as to ensure sufficient coverage of heavily indebted poor countries;

11. Underlines the importance of the transparency and involvement of debtor countries in any review and analysis that is conducted during the adjustment period;

12. Welcomes the implementation since 1994 by the Paris Club of the Naples terms as well as the decision to go beyond the Naples terms to provide debt reduction for eligible countries, in particular the poorest and most heavily indebted countries, and invites all other bilateral, multilateral and commercial creditors to make an appropriate and consistent contribution to the common objective of debt sustainability;

13. Invites creditor countries, private banks and multilateral financial institutions, within their prerogatives, to continue the initiatives and efforts to address the commercial debt problems of the least developed countries and the requests for continued mobilization of resources through the Debt-reduction Facility of the International Development Association in order to help eligible least developed countries reduce their commercial debt;

14. Recognizes the efforts of indebted developing countries in regard to fulfilling their commitments on debt servicing despite the high social cost incurred and, in this regard, encourages private creditors and, in particular, commercial banks to continue their initiatives and efforts to address the commercial debt problems of middle-income developing countries;

15. Stresses the urgent need to continue to provide social safety nets to vulnerable groups most adversely affected by the implementation of economic reform programmes in debtor countries, in particular low-income groups;

16. Notes with concern the continuing burden of debt and debt-service obligations of middle-income developing countries, including in particular those in Africa, and encourages creditors, including multilateral financial institutions and commercial banks, to continue to support those countries in addressing these obligations effectively;

17. Expresses strong support for the continuation of Enhanced Structural Adjustment Facility operations and stresses the need to find consensus regarding its funding modalities in the interim period, 2001-2004, and in this regard invites the Executive Board of the International Monetary Fund to consider concrete measures in order to generate funds that can be used for this purpose;

18. Stresses the need for further efforts of all donors to secure adequate funding for the eleventh replenishment of the International Development Association in accordance with the agreed timetable and the need to start negotiations, at an appropriate time, for an adequate twelfth replenishment of the Association to a level commensurate with the needs of the poorest countries;

19. Reaffirms the Mid-term Global Review of Progress towards the Implementation of the Programme of Action for the Least Developed Countries for the 1990s,[13] in particular the appropriate actions in favour of those countries concerning their official bilateral commercial and multilateral debt;

20. Stresses the need for new financial flows to debtor developing countries from all sources, in addition to debt-relief measures that include debt and debt-service reduction, and urges creditor countries and multilateral financial institutions to continue to extend concessional financial assistance, particularly to the least developed countries, in order to support the implementation of economic reforms and stabilization and structural adjustment programmes by the developing countries that will enable them to extricate themselves from the debt overhang and attract new investment and to assist them in achieving sustained economic growth and sustainable development and the eradication of poverty;

21. Calls upon the international community, including the United Nations system, and invites the Bretton Woods institutions, as well as the private sector, to take appropriate measures and action for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits organized since the beginning of the 1990s on development related to the question of external debt;

22. Requests the Secretary-General to report to the General Assembly at its fifty-third session on the implementation of the present resolution.

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[13] Resolution 50/103, annex.